

MUNISIPALITEIT SWARTLAND MUNICIPALITY



“ANNEXURE D”

BUDGET RELATED POLICIES 2016/2017

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INHOUDSOPGAWE: BEGROTINGSVERWANTE BELEIDE (AANHANGSEL D)
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SWARTLAND MUNISIPALITEIT TARIEWEVERORDENING

Ingevolge die bepalings van artikel 156 van die Grondwet van die Republiek van Suid-Afrika, 1996, bepaal Swartland munisipaliteit soos volg:-

Inhoudsopgawe

1. Woordomskeywing
2. Aanvaarding en implementering van tariefbeleid
3. Inhoud van die tariefbeleid
4. Toepassing en afdwining van die tariefbeleid
5. Herroeping
6. Kort tittle en inwerkingtrede

1. Woordomskeywing

In hierdie verordening geld die Engelse teks in die geval van enige teenstrydigheid met die Afrikaanse teks, en tensy die konteks anders aandui, beteken –

“**beleid**” die Tariefbeleid wat deur die munisipaliteit aanvaar is en vervat is in die Bylae tot hierdie verordening, welke Bylae verwys;

“**beskikbaarheidsgelde**” beteken ’n maandelikse heffing wat die munisipaliteit mag hef teen onroerende eiendom, met of sonder verbeterings, wat nie by enige munisipale dienswerke aangesluit is nie, maar waar sodanige eiendom redelikerwys aldus aangesluit kan word;

“**binneseisoen**” die periodes vanaf 1 Desember van ’n jaar tot en met 31 Januarie van die daaropvolgende jaar en vanaf Maandag voor Paasaweek tot en met Paas Maandag;

“**die Wet**” die Plaaslike Regering: Munisipale Stelsels Wet, 2000 (Wet Nr. 32 van 2000);

“**ekonomiese diens**” die dienste wat deur die munisipaliteit as sodanig geklassifiseer is en waarvan die tariewe sodanig bereken is dat minstens die totale koste van die diens van ’n verbruiker verhaal kan word;

“**gelykbreek**” die punt waar die totale inkomste van verkope gelyk is aan die vaste en veranderlike koste wat met die lewering van ’n diens geassosieer word;

“**gemeenskapsdiens**” die dienste wat deur die Raad as sodanig geklassifiseer is, en waarvan die tariewe sodanig bereken is dat die koste van die dienste nie ten volle verhaal kan word nie en bloot van ’n regulerende aard is;

“**handelsdienste**” die dienste wat as sulks deur die munisipaliteit geklassifiseer is, en waarvan die tariewe sodanig bereken is dat die munisipaliteit ’n wins by die lewering van die dienste maak;

“**handelsverbruiker**” sluit in maar is nie beperk nie tot sake-ondernemings, winkels, kantore, drankwinkels, supermarkte, openbare garages, vergaderplekke, kwekerie, vermaaklikheidsplekke, diensstasies, haarkapper salonne, banke, hotelle, gastehuse, losieshuse, dokters- en tandarts spreekkamers;

“**hierdie verordening**” sluit in die Tariefbeleid soos vervat in die Bylae;

“**huishoudelike verbruiker**” sluit in maar is nie beperk nie tot woonhuise, groephuise, meenthuise, skakelhuise en woonstelle;

“**hulpbehoewende huishoudings**” huishoudings wat as sulks by die munisipaliteit geregistreer is en wat aan die kwalifikasies soos bepaal in die Kredietbeheer en Skuldinvorderingsverordening voldoen;

“**inwoner**” ’n persoon wat gewoonlik in die regsgebied van die munisipaliteit woonagtig is;

“**landbouverbruiker**” ingesluit maar is nie beperk nie tot plase, kleinhoewes en landbou skougronde;

“**liefdadigheds- en welsyninrigtings en organisasies**” sluit in maar is nie beperk nie tot enige inrigting wat deur ’n kerkgenootskap of ’n geregistreerde welsynsorganisasie op ’n nie-winsbejag grondslag bedryf word soos –

- (a) ouetehuse;
- (b) pre-primêre skole;
- (c) versorgingsoorde vir voorskoolse kinders;
- (d) bejaardesorgfasiliteite;
- (e) huisvesting of versorgingsfasiliteite vir haweloses; en
- (f) kinderhuise;

“**lewenslyntarief**” ’n eenheidstarief wat bereken word deur die totale koste van die diens deur die volume verbruik (eenhede) te deel;

“**munisipaliteit**” die munisipaliteit van Swartland en sluit enige gedelegeerde amptenaar of diensverskaffer van die munisipaliteit in;

“**munisipale dienste**” “*munisipale dienste*” soos omskryf in artikel 1 van die Wet, en sluit ’n funksie of ’n kombinasie van funksies in soos gelys in Bylae 4B en 5B van Die Grondwet van die Republiek van Suid-Afrika, 1996, en enige ander diens wat deur die munisipaliteit gelewer word;

“**nywerheidsverbruiker**” sluit in maar is nie beperk nie tot nywerheidsondernemings, fabriek, pakhuise, werkswinkels, skrootwerwe, store, wynkelders, slagpale, melkverwerkingsaanlegte en vismarkte

“**opvoedkundige en gemeenskapsinrigting**” sluit in maar is nie beperk nie tot skole, kolleges of pre-primêre skole wat nie deur ’n geregistreerde liefdadigheds- of welsynsorganisasie bedryf word nie, biblioteke, museums, kerke, hospitale, klinieke, korrektiewe instellings, skoolkoshuise en gemeenskapsale;

“raad” die munisipale raad van Swartland munisipaliteit;

“raadslid vir finansiële aangeleenthede” die raadslid van die munisipaliteit wie verantwoordelik is vir finansiële aangeleenthede;

“spesiale afval” bederfbare voedselprodukte afkomstig van slagpale, vis verwerkings aanlegte, vrugte inmaakaanlegte, ens.

“spesiale ooreenkoms” ’n spesiale tariefooreenkoms wat met ’n verbruiker aangegaan word wat ’n beduidende ekonomiese bydrae tot die gemeenskap maak en werk skep;

“sport- en ontspanningsfasiliteite” sluit in maar is nie beperk nie tot –

- (a) enige eiendom wat hoofsaaklik vir sport- en ontspanningsdoeleindes gebruik word;
- (b) skoolsportvelde wat vir doeleindes van water- of elektrisiteitsvoorsiening afsonderlik gemeter word; en
- (c) woonwaparke;

“twee-deeltarief” ’n tarief ten opsigte van ’n diens soos deur die Raad besluit, wat afsonderlik gehef word om die vaste en veranderlike koste van ’n diens afsonderlik te verhaal, waar die vaste koste bereken word deur die totale bedrag van die vaste koste van die diens deur die totale aantal kliënte te deel, en die veranderlike koste bereken word deur die totale bedrag van die veranderlike koste deur die volume wat verbruik is, te deel;

“kosteverhalende tarief” ’n tariefstruktuur wat die totale uitgawe moet dek ten opsigte van die diens wat deur die munisipaliteit gelewer word waarby wins ingesluit mag word om finansiële volhoubaarheid te verseker;

“verbruikte eenhede” die getal eenhede van ’n bepaalde diens wat verbruik is en wat gemeet word ingevolge die tariefstruktuur wat in paragraaf 9 beoog word;

2. Aanvaarding en implementering van tariefbeleid

(1) Die munisipaliteit moet ’n tariefbeleid aanvaar en implementeer vir die heffing van gelde vir ’n munisipale diens wat deur die munisipaliteit gelewer word, of wat gelewer word deur middel van diensleweringsooreenkomste wat aan die bepalings van die Stelselwet, die Wet op Plaaslike Regering: Bestuur van Munisipale Finansies (MFMA) Nr. 56 van 2003 en enige ander toepaslike wetgewing voldoen.

(2) Die munisipaliteit is nie geregtig om tariewe op te lê behalwe ingevolge ’n geldige tariefbeleid nie.

3. Inhoud van die tariefbeleid

Die munisipaliteit se tariefbeleid moet –

- (a) die beginsels ingevolge artikel 74(2) van die Wet weerspieël asook enige beginsels vir die oplegging van tariewe wat die munisipaliteit mag aanvaar, spesifiseer;

(b) die wyse uiteensit waarop die beginsels waarna in paragraaf (a) verwys word ingevolge die tariefbeleid geïmplementeer moet word;

(c) die grondslag vir onderskeid, indien enige, vir tariefdoeleindes tussen die verskillende kategorieë verbruikers, debiteure, diensverskaffers, dienste en diensstandaarde spesifiseer mits sodanige onderskeid nie op onbillike diskriminasie neerkom nie;

(d) sodanige verdere toepassingsmeganismes, indien enige, wat die munisipaliteit mag oplê, bykomend tot daardie vervat in die Kredietbeheer- en Skuldinvorderingsverordening.

4. Toepassing en afdwinging van die tariefbeleid

(1) Die beleid is van toepassing op alle tariewe deur die munisipaliteit goedgekeur tydens die jaarlikse begrotingsproses, met dien verstande dat die munisipaliteit gedurende die loop van ’n finansiële jaar tariewe kan bepaal indien –

- (a) ’n nuwe diens ingestel word;
- (b) geen tarief vir ’n bestaande diens voorheen gehef is nie; of
- (c) dit nodig is om ’n tarief wat reeds gehef is, reg te stel.

(2) Betaling van tariewe sal afgedwing word deur middel van hierdie verordening, die Kredietbeheer- en Skuldinvorderingsverordening, asook enige ander maatreëls vir afdwinging deur die munisipaliteit bepaal.

5. Herroeping

Die Tariefverordening gepubliseer IN Provinsiale Koerant 7825 van 11 Julie 2014 word hiermee herroep.

6. Kort titel en inwerkingtrede

Hierdie verordening staan bekend as die Tariewe Verordening van Swartland Munisipaliteit en tree in werking op 1 Julie 2015.

BYLAE

SWARTLAND MUNISIPALITEIT TARIEFBELEID

Ingevolge artikel 74 van die Plaaslike Regering: Wet op Munisipale Stelsels, 2000 (Wet 32 van 2000) aanvaar Swartland munisipaliteit die volgende Tariefbeleid –

Inhoudsopgawe

1. Oogmerke van die beleid
2. Tariefbeginsels
3. Kategorieë verbruikers
4. Klassifikasie van dienste
5. Uitgaweklassifikasie
6. Koste elemente
7. Tarief tipes
8. Tariefstruktuur en metodes van berekening
9. Kennisgewing van tariewe, fooie en diensteheffings

1. Oogmerke van die beleid

Die oogmerke van hierdie beleid is –

- (a) om aan die bepalings van artikel 74 van die Wet te voldoen; en
- (b) om leiding te gee aan die raadslid wat verantwoordelik is vir finansies, aangaande tariefvoorstelle wat aan die raad gedurende die jaarlikse begroting gedoen moet word.

2. Tariefbeginsels

Die volgende beginsels sal toegepas word –

- (a) beperkte gratis dienste aan verbruikers en finansiële bystand aan hulpbehoewende huishoudings sal oorweeg word, slegs in sover dit gefinansier kan word uit –
 - (i) finansiële toekennings deur die Nasionale Regering aan die munisipaliteit vir dié doel; en
 - (ii) 'n bewilling vir dié doel deur die munisipaliteit wat jaarliks tydens die begrotingsproses bepaal sal word.
- (b) alle verbruikers van munisipale dienste sal billik behandel word. Die verskillende kategorieë van verbruikers moet billike tariewe betaal wat op dieselfde kostestruktuur gebaseer is;
- (c) die bedrag wat verbruikers betaal moet in verhouding met hul gebruik van daardie dienste wees;

- (d) geïdentifiseerde hulpbehoewende huishoudings moet minstens tot basiese dienste toegang hê deur lewenslyntariewe of direkte subsidies;
- (e) tariewe moet die totale koste van die diens weerspieël, tensy anders aangedui in hierdie beleidsdokument;
- (f) waar in hierdie beleid uitdruklik aldus bepaal, sal 'n verbruiker die keuse hê om 'n tarief uit 'n aantal toepaslike tariewe te kies;
- (g) tariewe moet vasgestel word teen vlakke wat die finansiële volhoubaarheid van die diens ondersteun. Volhoubaarheid kan bereik word deur toe te sien dat –
 - (i) kontant invloei die kontant uitvloei dek, wat beteken dat voldoende voorsiening vir bedryfskapitaal en slegte skuld gemaak moet word; en
 - (ii) toegang tot die kapitaalmark moet gehandhaaf word deur voorsiening vir die terugbetaling van lenings te maak, likiditeitsvlakke te handhaaf en winste op handelsdienste te maak.
- (h) voorsiening moet in gepaste omstandighede vir 'n toeslag op 'n tarief vir 'n diens gemaak word, wat sal nodig wees gedurende 'n nasionale ramp en in tydperke van droogte wanneer beperkinge op gebruik nodig is;
- (i) doeltreffende en effektiewe gebruik van hulpbronne sal aangemoedig word deur boetes om buitensporige gebruik te beperk in te stel;
- (j) die mate van subsidiëring van tariewe sal openbaar gemaak word;
- (k) tariewe is deurgaans BTW uitgesluit, dus is BTW addisioneel tot hierdie tariewe waar van toepassing.

3. Kategorieë van verbruikers

- (1) Afsonderlike tariewe kan vir die volgende kategorieë van verbruikers ingestel word –
 - (a) huishoudelike verbruikers;
 - (b) handelsverbruikers;
 - (c) nywerheidsverbruikers;
 - (d) landbouverbruikers;
 - (e) munisipaliteite;
 - (f) verbruikers met wie spesiale ooreenkomste aangegaan is;
 - (g) verbruikers in bepaalde geografiese gebiede;
 - (h) sport- en ontspanningsfasiliteite;
 - (i) opvoedkundige en gemeenskapsinrigtings;
 - (j) liefdadigheids- en welsynsinrigtings en organisasies; en
 - (k) Staat.
- (2) Die munisipaliteit mag onderskei tussen verskillende kategorieë verbruikers, debiteure, diensverskaffers, dienste, diensstandaarde en ander sake.

(3) Onderskeiding moet gebaseer word op een of meer van die volgende elemente

-
- (a) infrastruktuur koste;
- (b) volume verbruik; of
- (c) beskikbaarheid en diensstandaarde.

4. Klassifikasie van dienste

Die munisipaliteit mag, onderworpe aan die riglyne van die Nasionale Tesourie en die Uitvoerende Burgemeester voorsiening maak vir die volgende klassifikasie van dienste:

- (a) **handelsdienste**
 - (i) water
 - (ii) elektrisiteit
 - (iii) kampeergeriewe
- (b) **ekonomiese dienste**
 - (i) vullisverwydering
 - (ii) sanitasie afvoer
- (c) **gemeenskapsdienste**
 - (i) lugbesoedeling.
 - (ii) brandweerdienste.
 - (iii) plaaslike toerisme.
 - (iv) stadsbeplanning.
 - (v) munisipale openbare werke
 - (vi) stormwaterbestuurstelsels in beboude gebiede
 - (vii) handelsregulasies.
 - (viii) reklameborde en die vertoon van advertensies op openbare plekke
 - (ix) begraafplase
 - (x) beheer oor openbare steurnisse
 - (xi) beheer oor ondernemings wat drank aan die publiek verkoop
 - (xii) fasiliteite vir die akkommodasie, omsien na en begrawing van diere
 - (xiii) omheining en heinings
 - (xv) lisensiëring en beheer van ondernemings wat voedsel aan die publiek verkoop
 - (xvi) plaaslike geriewe
 - (xvii) plaaslike sportgeriewe
 - (xviii) munisipale parke en ontspanning
 - (xix) munisipale paaie

- (xx) geraasbesoedeling
- (xxi) skutte
- (xxii) openbare plekke
- (xxiii) straathandel/straatbeligting
- (xxiv) verkeerbeheer en parkering
- (xxv) boubeheer
- (xxvi) lisensiëring van voertuie en voertuigbestuurspermitte
- (xxvii) natuurreserve

5. Uitgawe klassifikasie

Uitgawes sal in die volgende kategorieë geklassifiseer word:

- (a) Subjektiewe klassifikasie wat insluit –
 - (i) salarisse, lone en toelaes
 - (ii) grootmaat aankope
 - (iii) algemene uitgawes
 - (iv) herstelwerk en onderhoud
 - (v) kapitaal-koste (rente en delging) / waardevermindering
 - (vi) bydrae tot vaste bates;
 - (vii) bydrae tot fondse –
 - (aa) slegte skuld;
 - (bb) bedryfskapitaal; en
 - (cc) statutêre fondse
 - (viii) bydrae tot reserwes
 - (ix) bruto uitgawes
 - (x) uit-debitering
 - (xi) netto uitgawes
 - (xii) inkomste; en
 - (xiii) surplus/tekort

Die klassifikasie van uitgawes, elk met 'n unieke posnommer, sal op alle koste-eenhede toegepas word.

- (b) Objektiewe klassifikasie in terme waarvan die volgende koste-eenhede geskep word waarheen die koste verbonde aan die verskaffing van 'n diens toegedeel kan word-
 - (i) departement
 - (ii) afdeling/diens
 - (iii) onderafdeling/diens

6. Koste elemente

Die volgende koste elemente mag gebruik word om tariewe vir die verskillende dienste te bereken –

- (a) vaste koste wat bestaan uit die kapitaalkoste (rente en delging) op eksterne lenings sowel as interne voorskotte of waardevermindering wat ook al van toepassing is op die diens of enige ander koste van 'n permanente aard soos deur die munisipaliteit bepaal.
- (b) veranderlike koste wat insluit alle veranderlike koste in verband met die lewering van die diens;
- (c) totale koste wat bestaan uit die vaste koste plus veranderlike koste;
- (d) 'n kosteverhalende tarief; of
- (e) 'n kombinasie van enige van bogenoemde tariewe.

7. Tarief tipes

In die vasstelling van 'n toepaslike tarief vir 'n diens, sal die munisipaliteit gebruik maak van die volgende vyf moontlikhede of 'n kombinasie daarvan –

- (a) 'n enkeltarief wat sal bestaan uit 'n koste per eenheid verbruik en wat verhaal word deur eenheidspryse op die vlak waar kostes en inkomste gelykbreek. Onderhewig aan 'n aanbeveling van die Direkteur: Finansiële Dienste kan die munisipaliteit besluit om winste op bepaalde dienste te maak, wat by die koste van die diens gevoeg word vir die doeleindes van die berekening van die tarief.
- (b) koste verbandhoudend twee-tot-driedeel tarief wat sal bestaan uit twee tot drie dele –
 - (i) bestuur-, kapitaal-, onderhoud- en lopende koste mag saam gegroep en verhaal word deur 'n vaste tarief, onafhanklik van verbruik vir alle klasse van verbruikers;
 - (ii) veranderlike koste kan verhaal word deur 'n eenheidstarief per eenheid verbruik; en
 - (iii) die drie-deel tariewe sal slegs gebruik word om tariewe vir elektrisiteit te bereken en om voorsiening te maak vir maksimum aanvraag en verbruik tydens periodes van beperkte aanvraag.
- (c) toenemende bloktarief gebaseer op verbruiksvlakke wat gekategoriseer word in blokke, met tariewe wat vermeerder soos wat die verbruik vermeerder. Die eerste trap sal bereken word by die gelykbreekpunt en opeenvolgende trappe sal bereken word om 'n resultaat te lewer wat oormatige gebruik van die kommoditeit sal ontmoedig.
- (d) afnemende bloktarief wat die teenoorgestelde is van die toenemende bloktarief en neem af soos wat verbruik toeneem. Die eerste trap sal bereken word deur die vaste en veranderlike koste en wins deur die totale volume gebruik te deel en sal slegs gebruik word tydens spesiale ooreenkomste;
- (e) 'n kosteverhalende tarief;

- (f) 'n regulerende tarief wat slegs regulerend van aard is en die munisipaliteit mag die volle of slegs 'n gedeelte van die kostes verbonde aan die lewering van die diens verhaal.

8. Tariefstruktuur en metodes van berekening

Die volgende tariefstruktuur sal gebruik word om tariewe te bepaal –

- (1) Water
 - (a) Tariefstruktuur-
 - (i) vaste tarief per verbruiker plus 'n enkel tarief per eenheid verbruik (kiloliters verbruik);
 - (ii) enkeltarief per verbruiker; of
 - (iii) kosteverhalende tarief.
 - (b) Metode van berekening-
 - (i) die vaste koste van die diens sal bestaan uit die kostes wat as sulks deur die munisipaliteit aangewys word;
 - (ii) die aantal verbruikers sal gebruik word om die vaste komponent van die tarief per verbruiker te bereken;
 - (iii) waar 'n vaste koste per verbruiker verhaal word sal die eenheidstarief bereken word deur die veranderlike koste deur die volume verbruik te deel;
 - (iv) waar die raad nie 'n vaste koste per verbruiker verhaal nie sal die eenheidstarief bereken word deur die totale koste deur die volume verbruik te deel;
 - (v) waar verbruik nie gemeet is nie of nie gemeet kan word nie, sal die munisipaliteit geregtig daarop wees om die koste te bepaal bereken volgens die laaste 3 maande se gemiddelde verbruik voor die datum waarop die meter die laaste keer gelees is;
 - (vi) waar 'n eiendom nie by die waternetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word, sal beskikbaarheidsgelde betaalbaar wees gelyk aan 'n eenheidstarief per kiloliter soos jaarliks deur die Raad bepaal;
 - (vii) wins op die lewering van die diens gemaak sal by die vaste en veranderlike koste of kosteverhalende tarief getel word voordat tariewe bereken word.
- (2) Elektrisiteit
 - (a) Tariefstruktuur –
 - (i) kWh – Aktiewe Energie;
 - (ii) kVA – Maksimum aanvraag (termies of blok) geregistreer oor 'n halfuur;
 - (iii) kVArh – Reaktiewe Energie;

- (iv) piek, standaard en afpiek tydperke – volgens grootmaat aankoop tariefstruktuur;
- (v) hoë en lae verbruik seisoene – volgens grootmaat aankoop tariefstruktuur;
- (vi) toedeling van vakansiedae – volgens grootmaat aankoop tariefstruktuur.

(b) Metode van berekening –

- (i) die riglyne en beleid wat deur die Nasionale Elektrisiteitsreguleerder uitgereik word, sal die basis vorm waarvolgens tariewe bereken word;
- (ii) gebaseer op die lasfaktor van die kategorieë en die verbruikers binne die verskillende kategorieë sal kruissubsidiëring tussen en binne kategorieë van verbruikers toegelaat word;
- (iii) gedeeltes van die vaste koste sal deur die energie en tyd-van-gebruik kostes verhaal word;
- (iv) om bostaande beginsel toe te pas sal die kostetoedelingsbasis, kostegroepering, tariefkomponente en tarieftipes wat in die volgende tabel gereflekteer word, gebruik word-

Tarief tipe	Vaste Koste Rand/Verbruiker/ Maand	Aktiewe Energie tariewe Sent/ kWh	Seisoen gebonde Tyd van Gebruik Energie tariewe Piek Standaard Afpiek	Kapasiteits-tarief Rand/ kVA/ maand	Reaktiewe energie tarief Sent/ kWh
Een deel		X			
Een deel Blok 1		X			
Blok Blok 2		X			
Twee deel	X	X			
Twee deel Blok	X				
Blok 1		X			X
Blok 2		X			X
Blok 3		X			X
Blok 4		X			X
Drie deel	X	X		X	
Drie deel tyd van gebruik	X				X

Piek			X		
Hoë seisoen Standaard			X		
Afpiek			X		
Piek			X		
Lae seisoen Standaard			X		
Afpiek			X		
Vier deel tyd van gebruik	X			X	X
Piek			X		
Hoë seisoen Standaard			X		
Afpiek			X		
Piek			X		
Lae seisoen Standaard			X		
Afpiek			X		
Drie deel Netto Meter Invoer	X	X			
Uitvoer		X			

(aa) Die een-deel enkel energietarief –

Alle kostes wat aan 'n verbruikers kategorie toegedeel word, wat normaalweg van 'n een-deel enkel energietarief gebruik maak, word in 'n sent/kWh tarief uitgedruk en soos volg bereken –

- (i) die maksimum aanvraagkoste (rand/kVA/maand) van alle verbruikers wat normaalweg van enkeltariewe gebruik maak word bereken deur die gemiddelde lasfaktor van die tipe verbruikers in aanmerking te neem en word by die veranderlike kostes getel;
- (ii) die vaste koste (rand/verbruiker/maand) en energiekoste (kWh) word ook by die veranderlike koste getel;
- (iii) die totale koste (aanvraag, vaste en aankoopkoste) wat aan een-deel enkel energietarief verbruikers toegedeel word, moet verhaal word by 'n gelykbreekpunt wat vergelykbaar is met die aantal kWh eenhede soos vasgestel deur Eskom;
- (iv) die totale koste sal uitgedruk word in 'n sent/kWh tarief.

(bb) Die twee-deel tarief –

- (i) 'n gedeelte van die vaste koste wat gelykstaande is aan die bedryfs- en administratiewe kostes van die Elektrisiteitsdepartement word verhaal deur 'n rand/verbruiker/maand heffing;
- (ii) die oorblywende gedeelte van die vaste koste word by die veranderlike koste getel en deur middel van 'n eenheidstarief (sent/kWh heffing) verhaal;
- (iii) die tarief sal gevolglik bestaan uit 'n vaste maandelikse heffing plus 'n veranderlike heffing wat verband hou met die gemeterde kWh verbruik.

(cc) Die drie-deel tarief

- (i) 'n gedeelte van die vaste koste soos beskryf in sub paragraaf (2)(bb)(i) word deur middel van 'n rand/verbruiker/maand heffing verhaal;
- (ii) die oorblywende gedeelte van die vaste koste word deur middel van die eenheidstarief (sent/kWh heffing) en maksimum aanvraag heffing (rand/kVA/maand) verhaal;
- (iii) die maksimum aanvraagkoste (rand/ kVA koste) word deur die kapasiteitstarief verhaal waar van toepassing;
- (iv) die sent/kWh heffing verhaal die volle veranderlike kostes en gedeeltes van die hertoegewysde vaste en aanvraagkoste (rand/verbruiker/maand en rand//kVA kostes) waar van toepassing.

(dd) Tyd-van-gebruik tarief –

- (i) tyd-van-gebruik tariewe wat aangebied word, is gebaseer op die piek-, standaard- en afpiektariewe en tydperiodes van die voorsieningsowerheid om kosteverhaling te handhaaf in geval van lasprofielverskuiwing. Transmissie- en verspreidingsnetwerkkoste kan deur rand/kVA heffings verhaal word;
- (ii) Die sent/kWh heffing verhaal die volle veranderlike kostes en 'n gedeelte van die hertoegedeelde rand/kVA heffing waar van toepassing;
- (iii) Die rand/verbruiker/maand heffing word nie hertoegewys nie;
- (iv) die struktuur van die tyd-van-gebruik tarief sal bereken word volgens die aankoopstruktuur;

- (v) Die tyd-van-gebruik tarief sal slegs aangebied word in areas waar soortgelyke tariewe beskikbaar is.
- (vi) waar 'n wins op die lewering van die diens gemaak word, sal dit by die vaste en veranderlike koste getel word voordat tariewe bereken word;
- (vii) Waar 'n eiendom nie by die elektrisiteitsnetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees gelyk aan die vaste koste bereken ooreenkomstig die bepalings van sub paragraaf (2)(b).

(ee) Netto-meter –

- (i) netto-meter invoertarief (energie verskaf aan die verbruiker) sent/kWh heffing sal gebaseer word op die gemiddelde koste van voorsiening insluitend 'n gedeelte van die bedryfskoste, surplus en aankoopkoste in ag genome tyd-van-gebruik tarief-variasies;
- (ii) netto-meter uitvoertarief (energie verskaf deur die verbruiker) sent/kWh sal nie die gemiddelde koste van aankoop oorskry nie in ag genome tyd-van-gebruik tariewe wat van toepassing is tydens die periode van voorsiening;
- (iii) 'n gedeelte van die vaste koste gelyk aan die bedryfs- en administratiewe koste van die Elektrisiteitsdepartement sal deur 'n rand/verbruiker/maand heffing verhaal word.

(3) Afvalverwydering

(a) Tariefstruktuur –

- (i) aantal persele beboud en onbeboud 'n basiese eenheid;
- (ii) grootmaat afvalverwydering;
- (iii) kosteverhalende tarief;
- (iv) spesiale afval; en
- (v) hekgelde/koepons.

(b) Metode van berekening –

- (i) 'n kosteverhalende tarief gelykstaande aan die eenheidstarief wat op huishoudelike verbruikers van toepassing is, sal gehef word vir elke perseel beboud of onbeboud. ;
- (ii) 'n eenheidstarief per perseel, hetsy residensiëel of enige ander instansie, sal gehef word wat bereken sal word deur die totale koste deur die totale aantal persele te deel;

- (iii) waar meer as een wooneenheid, soos gedefinieer in die munisipaliteit se soneringskema regulasies, op 'n perseel geleë is (soos 'n skakelhuis of 'n blok woonstelle), sal elke sodanige wooneenheid vir doeleindes van hierdie paragraaf, geag word 'n afsonderlike perseel te wees;
 - (iv) vir elke besigheid op 'n perseel sal 'n verpligte basiese afvalverwyderingstarief gehef word wat aangepas sal word volgens die hoeveelheid afval verwyder. Die afvaleenheid vir besighede is twee plastiek sakke of twee 85 liter afvaldromme of 'n 240 liter wheely bin per week. Vir residensiële persele is dit onbeperk;
 - (v) 'n afvaltarief gelykstaande aan die eenheidstarief wat ooreenkomstig die bepalinge van sub paragraaf (b)(ii) en (iv) vasgestel is met betrekking tot afvalverwydering vanaf persele geleë binne die stedelike randgebiede van die dorpsgebiede van Malmesbury, Moorreesburg, Riebeek-Wes, Riebeek Kasteel, Darling, Yzerfontein, Abbotsdale, Kalbaskraal, Chatsworth, Riverlands, Koringberg en Ongegund sal van toepassing wees op een keer per week se afvalverwydering per perseel.
 - (vi) met betrekking tot die verwydering van afval op persele wat buite die voormelde stedelike randgebiede geleë is, of die verwydering by geleentheid van afval sal 'n tarief gebaseer op 'n vordering per vraag of gedeelte van 'n vraag wat verwyder moet word, gehef word;
 - (vii) die tarief vir spesiale afval word bereken deur die koste van die lugspasie wat in beslag geneem word gemeet in tonnemaat, by die werklike koste om dit dadelik te behandel en te bedek te tel;
 - (viii) die koepion pryse vir afval self gelewer by vullisterreine word bepaal volgens voertuig kapasiteit, die lugspasie asook die koste om dit daagliks te bedek;
 - (ix) afvaltariewe sal maandeliks gehef word.
 - (c) Waar 'n afvalverwyderingsdiens beskikbaar is, ongeag of afval verwyder word of nie, sal beskikbaarheidsgelde betaalbaar wees gelyk aan die maandelikse tarief soos van toepassing op 'n residensiële- of besigheidperseel.
- (4) Sanitasie:
- (a) Tariefstruktuur –
 - (i) aantal toilette;
 - (ii) formule gebaseerde watervloetarief; of
 - (iii) 'n kosteverhalende tarief.
 - (b) Metode van berekening –

- (i) waar 'n eiendom nie by die rioolnetwerk aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees. Die tarief sal gelykstaande wees aan die eenheidstarief wat op residensiële verbruikers van toepassing is;
- (ii) 'n eenheidstarief per verbruiker sal gehef word; die tarief sal bereken word deur die totale koste deur die totale aantal persele wat by die rioolnetwerk aangesluit is, te deel;
- (iii) waar meer as een wooneenheid, soos gedefinieer in die munisipaliteit se soneringskemaregulasies, op 'n perseel geleë is (soos 'n skakelhuis of 'n blok woonstelle), sal elke sodanige wooneenheid vir doeleindes van hierdie paragraaf, geag word 'n afsonderlike perseel te wees;
- (iv) 'n toeslag van 15% sal gehef word vir elke addisionele toilet ten opsigte van verbruikers in die kategorieë waarna in paragrafe 3(1)(b) tot 3(1)(k) verwys word;
- (v) die tarief betaalbaar vir die verwydering van die inhoud van 'n riooltenk is gelyk aan die eenheidstarief wat ooreenkomstig die bepalinge van sub paragraaf 4 (b)(i) vasgestel is met betrekking tot riooltenke in gebruik op persele geleë binne die jurisdiksiegebied van die munisipaliteit; waar 'n derde pumping in dieselfde maand gedoen word gedurende Paasaweek asook skoolvakansies, sal sodanige pumping teen geen verdere koste gelewer word, maar sal 'n vierde pumping in dieselfde maand teen werklike koste gelewer word.
- (vi) met betrekking tot die verwydering van die inhoud van riooltenke in gebruik op persele wat buite die stedelike randgebied geleë is, of die verwydering by geleentheid van die inhoud van 'n septiese tenk sal 'n tarief gebaseer op 'n vordering per vraag wat verwyder moet word, gehef word;
- (vii) gelde betaalbaar in terme van subparagraaf (vi) moet maandeliks deur die Insident program gehef word;
- (viii) waar versoeke deur enige verbruiker aan wie 'n afvaldiens gelewer word na gewone kantoorure deur Nooddienste ontvang word, sal die werklike koste deur die Insident program op die gewone toepaslike tarief gehef word;
- (ix) industrieë wat as nat nywerhede (water intensiewe nywerhede) geklassifiseer is, sal bo en behalwe 'n tarief per toilet 'n behandelingskoste betaal wat op die volgende formule gebaseer is:

$$B = 0,85 \sqrt{R \times CSB} / 1000$$
 B = Behandelingskoste

V = Volume waterverbruik in kiloliter

R = Koste van behandeling van 1kg CSB in R/kilogram CSB

CSB = Chemiese suurstofbehoefte in milligram per liter

- (x) die volgende sal geld vir industrieë wat as nat nywerhede geklassifiseer is en wat met 'n vloeiometingsapparaat toegerus is om die volume van riool te meet:

$$B = V[R \times \text{CSB}] / 1000$$

B = Behandelingskoste

V = Volume riool in kiloliter

R = Koste van behandeling van 1kg CSB in R/kilogram CSB

CSB = Chemiese suurstofbehoefte in milligram per liter

- (xi) riooltariewe sal maandeliks gehef word. en betaalbaar wees deur die verbruiker.

- (c) Waar 'n eiendom nie by 'n waterdraende sanitasiestelsel of 'n sanitasie pompstelsel aangesluit is nie en redelikerwys daarby aangesluit kan word sal beskikbaarheidsgelde betaalbaar wees gelyk aan die vaste koste bereken ooreenkomstig die bepalings van sub paragraaf (1)(b), met dien verstande dat sodanige heffing nie van toepassing sal wees op persele waar sypleirole bestaan nie.

- (5) Gemeenskaps- en gesubsidieerde dienste

- (a) Tariefstruktuur –

- (i) Die tariefstrukture soos uiteengesit in tabel 1 hieronder sal gebruik word vir die vasstelling van regulerende gemeenskap en gesubsidieerde dienste.

- (b) Metode van berekening –

- (i) hierdie tariewe sal jaarliks tydens die begrotingsvergadering aangepas word met 'n aantal persentasiepunte of deur die beraamde werklike koste te herbereken.

Tabel 1

FUNKSIE	EENHEID VAN OPBRENGS
1. DIVERSE DIENSGELDE 1.1 Inligting insake waardasies van eiendomme. 1.2 Uitreiking van waardasiesertifikaat van 'n eiendom. 1.3 Uitreiking van Uitklarings sertifikaat van 'n eiendom. 1.4 Uitreiking van tweede duplikaat-rekening. 1.5 Maak van fotostate. A4 grootte A3 grootte 1.6 Afdrukke van bouplanne en dorpskaarte. 1.7 Gerekenariseerde dorpsplanne. 1.8 Dishonoreringsgelde betaalbaar wanneer tjeks deur bank gedishonoreer word. 1.9 Ongeïdentifiseerde inskrywing(s) op Munisipale bankstate (navrae moet gedoen word by bank) 1.10 Faksimilees: Ontvang en/of afstuur. 1.11 Skoonmaak van erwe 1.12 Aansoek om oopverbranding 1.13 Aansoek om plaag- en onkruidbespuiting	<ul style="list-style-type: none"> • Vaste bedrag per navraag per eiendom. • Vaste bedrag per sertifikaat. • Vaste bedrag per sertifikaat. • Vaste bedrag per duplikaat rekening. • Vaste bedrag per fotostaat • Vaste bedrag per fotostaat • Vaste bedrag per afdruk • Vaste bedrag per plan onderskeidelik A0, A1, A2, A3 en kleiner groottes. • Bedrag gelyk aan die koste gehef deur die bank + 15% admin koste • Bedrag gehef deur bank sal gevorder word + 15% administrasie koste • Vaste bedrag per faksimilee. • Werklike koste plus 15% • Geen koste betaalbaar R/Besluit • Geen koste betaalbaar R/Besluit
2. VERHUUR VAN STADSAAL EN GEMEENSKAPSALE 2.1 Saalbesprekings met onderskeid t.o.v. die verskeie gebruike daarvan. 2.2 Saalbesprekings deur staande verbruikers, kombuis ingesluit. 2.3 Gebruik van sysale addisioneel tot hoofsaal. 2.4 Gebruik van kombuis addisioneel tot	<ul style="list-style-type: none"> • Vaste bedrag per bespreking. • Vaste bedrag per jaar. • Vaste bedrag per bespreking.

FUNKSIE	EENHEID VAN OPBRENGS
hoofsaal of sysale. 2.5 Gebruik van verversingskamer addisioneel tot hoofsaal of sysale. 2.6 Gebruik van geriewe een dag voor besprekingsdatum. 2.7 Deposito betaalbaar t.o.v. gebruik van saal en bykomstige geriewe. 2.8 Kansellasië van bespreking.	<ul style="list-style-type: none"> • Vaste bedrag per bespreking. • Vaste bedrag per bespreking. • Vaste bedrag per bespreking. • Vaste bedrag per bespreking. • 10% van huurgeld betaalbaar vir administrasiekoste word van deposito verhaal.
3. BIBLIOTHEEKGEDELDE 3.1 Boetes vir die laat terugbesorg van boek, plaat, CD, kassette of kunsafdruk. 3.2 Boete vir die laat terugbesorg van video of DVD 3.3 Verlore lener kaartjies 3.4 Bespreking van biblioteekmateriaal- <ul style="list-style-type: none"> • Materiaal in voorraad • Materiaal nie in voorraad nie 	<ul style="list-style-type: none"> • Vaste bedrag per week of gedeelte van week per item • Vaste bedrag per dag of gedeelte van 'n dag per video. • Vaste bedrag per kaartjie • Vaste bedrag per bespreking • Vaste bedrag per bespreking
4. ELEKTRIESE DIENSAANSLUITINGS 4.1 Dienaansluitings tot 30 meter 10 mm ² x 2 aar met standaard kredietmeter. 4.2 Addisionele kabel per meter – maksimum 50 ampère (huishoudelik). 4.3 Dienaansluiting meer as 30 meter 16 mm ² x 2 aar met standaard kredietmeter. 4.4 Addisionele kabel per meter – maksimum 60 ampère (huishoudelik) en 80 ampère (besigheid). 4.5 Dienaansluiting tot 30 meter 16 mm ² x 4 aar met standaard kredietmeter.	<ul style="list-style-type: none"> • Vaste bedrag per 30 meter • Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. • Vaste bedrag per meter • Vaste bedrag per 30 meter • Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. • Vaste bedrag per meter • Vaste bedrag per meter • Beraamde koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste.

FUNKSIE	EENHEID VAN OPBRENGS
4.6 Addisionele kabel per meter –maksimum 3 x 40 ampère (huishoudelik) en 3 x 80 ampère (besigheid). 4.7 Dienaansluiting meer as 30 meter 16 mm ² met standaard meter. 4.8 Dienaansluiting tot 30 meter 16 mm ² x 4 aar met standaard meter. 4.9 Dienaansluiting meer as 30 meter 16 mm ² x 4 aar met standaard meter. 4.10 Erwe met geïnstalleerde diensaan-sluiting 4.11 Enkel oordraer – in areas waar die warmwatersilinder lasbestuurstelsel geïmplementeer is, is die aansoeker verantwoordelik om 'n lasbestuurstelsel te installeer vir beheer van die warmwatersilinder. 4.12 Dubbel oordraer - in areas waar die warmwatersilinder lasbestuurstelsel geïmplementeer is, is die aansoeker verantwoordelik om 'n lasbestuurstelsel te installeer vir beheer van die warmwatersilinder. 4.13 Herstel van kabel en addisionele las 4.14 Addisionele heffing t.o.v. peutering- In geval waar gepeuter aan elektriese toerusting foutiewe elektrisiteitsgebruik veroorsaak het wat deur die meter geregistreer is, sal 'n addisionele heffing vir die opgradering van 'n aansluiting betaalbaar wees deur die geregistreerde verbruiker voor heraansluiting. T.o.v. behoeftige huishou-dings sal verbruikers die addisionele heffing betaal voordat die diens herstel sal word. 4.15 Peuterfooi: In geval van gepeuter met elektrisiteitsmeters of waar 'n verbruiker sy of haar eie meter herstel het deur 'n seël te	<ul style="list-style-type: none"> • Vaste bedrag per meter • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Beraamde werklike koste gebaseer op 'n 30 meter aansluiting plus % toeslag vir administrasiekoste. • Beraamde werklike koste plus % toeslag vir administrasiekoste. • Vaste bedrag per aansluiting. • Vaste bedrag per enkel oordraer • Vaste bedrag per dubbel oordraer • Vaste bedrag per kabellas • Vaste bedrag • Vaste bedrag

FUNKSIE	EENHEID VAN OPBRENGS
breek, is 'n peuterfooi per meter betaalbaar deur die geregistreerde verbruiker voor heraansluiting.	
5. VERKOPE VAN VOORAFBE-TAALDE ELEKTRIESE METERS	
5.1 Voorafbetaalde Enkelfase meter (programmering ingesluit) aan diensaansluiting kWh maksimum 100 amp.	<ul style="list-style-type: none"> • Vaste bedrag per aansoek • Werklike aankoopprys per aansoek plus % heffing van administratiewe koste
5.2 Voorafbetaalde Driefase meter (programmering ingesluit) aan diensaansluiting kWh maksimum 100 amp.	<ul style="list-style-type: none"> • Vaste bedrag per aansoek • Werklike aankoopprys per aansoek plus % heffing van administratiewe koste
5.3 Voorafbetaalde 1-fase splitmeter (programmering ingesluit)	<ul style="list-style-type: none"> • Bedrag gebaseer op kwotasie
5.4 Voorafbetaalde 3-fase splitmeter (programmering ingesluit)	<ul style="list-style-type: none"> • Bedrag gebaseer op kwotasie
6. DIVERSE DIENSTE: ELEKTRISITEITSDEPARTEMENT	
6.1 Uitroepfooi betaalbaar vir privaat navrae en probleme (munisipale elektrisiteitsvoorsiening of aansluitings uitgesluit) <ul style="list-style-type: none"> • Kantoorure • Na-ure en Saterdag • Openbare vakansiedae en Sondae 	<ul style="list-style-type: none"> • Vaste bedrag per uitroep
6.2 Aansoek deur verbruikers vir stroom-brekers met 'n hoër of laer vermoë per fase	<ul style="list-style-type: none"> • Vaste bedrag per uitroep
6.3 Diensaansluitings-aansluiting vir residensieel en besigheid	<ul style="list-style-type: none"> • Vaste bedrag per aansluiting
6.4 Toets van diensmeter op versoek van verbruiker vir akkuraatheid-Enkelfase, driefase, maksimum aanvraag	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
6.5 Toevoegings tot diensaansluitings kWh maksimum 100 amp na <ul style="list-style-type: none"> • Enkelfase kredietmeter met stroombreker • Driefase kredietmeter met stroombreker 	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
7. ELEKTRISITEITSDEPOSITO	
7.1 Elektrisiteitsdeposito ingesluit in	<ul style="list-style-type: none"> • Dienste deposito vaste bedrag

FUNKSIE	EENHEID VAN OPBRENGS
verbruikersdienste deposito (water, elektrisiteit, vullisverwydering en riool)	
7.2 Besigheid – nuwe verbruikers	<ul style="list-style-type: none"> • Dubbel die bedrag van die gemiddelde munisipale rekening vir drie opeenvolgende maande t.o.v. elektrisiteit, water, riool en vullisverwydering. Die deposito vir nuut opgerigte geboue word gebaseer op 'n skatting van die verwagte koste t.o.v. genoemde dienste.
8. WATER DIENSAANSLUITINGS	
8.1 15 mm aansluitings – lae koste behuising	<ul style="list-style-type: none"> • Koste sal bepaal word volgens kontrak
8.2 15 mm aansluiting – alle ander aansluitings.	<ul style="list-style-type: none"> • Beraamde werklike koste plus % heffing vir administratiewe koste
8.3 22 mm aansluiting	<ul style="list-style-type: none"> • Beraamde werklike koste plus % heffing vir administratiewe koste
8.4 Aansluitings 22mm privaat ontwikkeling	<ul style="list-style-type: none"> • Beraamde werklike koste plus % heffing vir administratiewe koste
8.5 Aansoek vir Toets van watermeters	<ul style="list-style-type: none"> • Beraamde werklike koste plus % heffing vir administratiewe koste
8.6 Beskadiging van diensaansluitings en netwerk – koste moet verhaal word.	<ul style="list-style-type: none"> • Beraamde werklike koste plus % heffing vir administratiewe koste
8.7 Peuterfooi: In geval van peutering met die watermeterinstallasie of waar 'n verbruiker sy of haar eie meter herstel het deur 'n seël te breek, is 'n peuterfooi per meter betaalbaar deur die geregistreerde verbruiker voor heraansluiting.	<ul style="list-style-type: none"> • Vaste bedrag
9. DIENSTEDEPOSITO	
9.1 Deposito ingesluit in verbruikers- dienste deposito (water, elektrisiteit, vullisverwydering, riool)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
9.2 Huur van munisipale staanpyp	<ul style="list-style-type: none"> • Vaste bedrag per verhuring

10. SANITASIE DIENSAANSLUITINGS	
10.1 100 mm aansluitings	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
10.2 150 mm aansluitings	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
10.3 Beskadiging van diensaansluitings en netwerke – koste moet verhaal word	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
11. DIVERSE DIENSTE SANITASIE	
11.1 Uitsuig van riooltenks	<ul style="list-style-type: none"> Vaste sanitasie heffing soos van toepassing op residensiële of besigheidspersele uitgesluit persele waarop 'n sypelriool bestaan.
11.2 Uitsuig van riooltenks (plase)	<ul style="list-style-type: none"> Werklike koste per vrag gehef.
11.2.1 Uitsuig van riooltenks (Grotto Bay/Jakkalsfontein)	<ul style="list-style-type: none"> Werklike koste per vrag met uitfasering oor 7 jaar
11.3 Uitsuig van riooltenks na gewone kantoorure Maandag – Donderdag vanaf 17:00 Vrydag vanaf 15:45 – Maandagoggend 08:00	<ul style="list-style-type: none"> Werklike koste per uitsuig.
11.4 Gedeeltelike aansluiting (uitsuig)	<ul style="list-style-type: none"> Vaste bedrag per uitsuig gedeel deur twee.
11.5 Nywerheidsafloop per kg (CSB)	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
11.6 Verkoop van gesuiwerde rioolwater – alle verbruikers, uitgesluit Rooiheuvel JV gesuiwerde rioolwater per kiloliter	<ul style="list-style-type: none"> Per ooreenkoms volgens die volgende komponente-bedryfskoste en energiekoste soos jaarliks deur die munisipaliteit bepaal.
11.7 Verkoop van gesuiwerde rioolwater – slegs vir Rooiheuvel JV – hulle is verantwoordelik vir instandhouding, herstel en vervang van aanwinste sowel as vir bedryfskoste – kontrak-voorwaardes	<ul style="list-style-type: none"> Vaste bedrag soos jaarliks deur die munisipaliteit bepaal.
11.8 Rioolverstopings	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste
11.8 Rioolverstopings (96 en 56 Munisipale woonstelle)	<ul style="list-style-type: none"> Gratis

11.9 Rioolverstopings (na-ure) Maandag – Donderdag vanaf 17:00 Vrydag vanaf 15:45 – Maandagoggend 08:00	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
12. SANITASIEDEPOSITO	
12.1 <u>Deposito</u> ingesluit by verbruikersdienste deposito (water, elektrisiteit, vullisverwydering en riool).	
13. DIVERSE INGENIEURSDIENSTE	
13.1 Maak van enkel motoringang - 3 meters	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
13.2 Maak van dubbel motoringang - 6 metes	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
13.3 Maak van motoringang met stormwaterwegvoer	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
13.4 Teer en lapwerk	<ul style="list-style-type: none"> Beraamde werklike koste per m² plus % toeslag vir administrasiekoste.
14. BEGRAAFPLAASGELDE	
14.1 Enkelgrafperseel – koopprys	<ul style="list-style-type: none"> Vaste bedrag per perseel.
14.2 Enkelgraf – kinders onder 12 jaar	<ul style="list-style-type: none"> Vaste bedrag per perseel.
14.3 Reservering van perseel	<ul style="list-style-type: none"> Vaste bedrag per perseel
14.4 Aansoek vir enkel grafperseel vir Nie-Swartland area inwoners	<ul style="list-style-type: none"> Vaste bedrag per perseel en voorsien van laaste woonadres
14.5 Reservering van perseel deur Nie-Swartland area inwoners	<ul style="list-style-type: none"> Vaste bedrag en voorsien van laaste woonadres
14.6 Grawe van graf – 1.8m	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
14.7 Toegooi van graf	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
14.8 Uitwys van grafperseel	<ul style="list-style-type: none"> Vaste bedrag per perseel.
14.9 Grawe van dubbeldiepte graf – 2.7m	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
14.10 Oopmaak van dubbeldiepte graf	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.
14.11 Bou van baksteenvoering: <ul style="list-style-type: none"> enkelgraf ekstra dieptegraf 	<ul style="list-style-type: none"> Beraamde werklike koste plus % toeslag vir administrasiekoste.

14.12 Muur van herinnering: Koop van berging-spasie	<ul style="list-style-type: none"> • Vaste bedrag per ashouer.
14.13 Aansoek vir beskikbaar stelling van tydelike toilette by begrafnis	<ul style="list-style-type: none"> • Vaste koste per hoeveelheid tydelike toilette beskikbaar stel.
15. SWEMBADGELDE	
15.1 Per kaartjie per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
15.2 Per seisoenkaartjie per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
15.3 Vir galas – tydens die week per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie per Klas I en II swembad.
15.4 Vir galas – naweek (Saterdag en Sondag) Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie per Klas I en II swembad
15.5 Vir 2/3-kamp byeenkomste (maks 3 ure) per Klas I of Klas II swembad – weekdae en naweek (Saterdag-Sondag)	<ul style="list-style-type: none"> • Vaste bedrag vir 2/3-kamp byeenkomste per Klas I en II swembad - weekdae en naweek (Saterdag-Sondag)
15.6 Seisoenfooie vir klubs en skole 1-6 dae per week per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per klub of skool per Klas I en II swembad.
15.7 Opheffingsprojekte (nie-eksklusiewe gebruik maks 30 persone per dag) per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per byeenkoms per Klas I en II swembad.
15.8 Kerke, Jeug, Crèches, Sportklubs – per persoon per Klas I of Klas II swembad	<ul style="list-style-type: none"> • Vaste bedrag per kaartjie.
16. BOUPLANGELDE	
16.1 Goedkeuring van bouplangelde	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.2 Goedkeuring van bouplangelde-landelike gebiede	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.3 Goedkeuring: Minimum bouplangelde	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.4 Bouplangelde: lae koste behuising	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.5 Lys van goedgekeurde bouplanne (jaarlikse fooie)	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.6 Goedkeuring: bouplanfooie (argitek-toniese ontwerphandleiding) per R/ m ²	<ul style="list-style-type: none"> • Vaste bedrag per m²
16.7 Ondergesikhte bouwerk/grensmure	<ul style="list-style-type: none"> • Vaste bedrag per bouplan
16.8 Grensmure – per meter	<ul style="list-style-type: none"> • Vaste bedrag per meter
16.9 Verlenging van geldigheidsduur	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
16.10 Verlenging van geldigheidsduur na 12 maande per m ²	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
16.11 Addisionele bouplanfooie – bouwerk sonder goedkeuring Stap 1 – Vaslê van proses	<ul style="list-style-type: none"> • Vaste bedrag per m² • 50% van vaste koste Tarief van

16.12 Addisionele bouplanfooie – bouwerk sonder goedkeuring Stap 2 – Opvolg van proses	<ul style="list-style-type: none"> • toepassing op Ondergesikhte bouwerk • 50% van vaste koste Tarief van toepassing op Ondergesikhte bouwerk
16.13 Addisionele bouplanfooie – bouwerk sonder goedkeuring Stap 3 – Regs proses	<ul style="list-style-type: none"> • 50% van vaste koste Tarief van toepassing op Ondergesikhte bouwerk
16.12 Uitreiking van okkupasiesertifikaat ingevolge A20 NBR vir geboue waar die totale vloeroppervlak 500m ² en kleiner is	<ul style="list-style-type: none"> • Vaste bedrag per area 500m² en kleiner
16.13 Uitreiking van okkupasiesertifikaat ingevolge A20 NBR vir geboue waar die totale vloeroppervlak 500m ² en groter is	<ul style="list-style-type: none"> • Vaste bedrag per area groter as 500m²
17. GRONDGEBRUIKAANSOEKE EN ONDERVERDELINGS: TARIWE:	
17.1 Advertensieborde	<ul style="list-style-type: none"> • Vaste bedrag per bord
17.2 Aansoekfooie – advertensieborde opgerig sonder goedkeuring	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.3 Skouhuis borde (jaarliks betaalbaar)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek jaarliks.
17.4 Skouhuis deposito	<ul style="list-style-type: none"> • Vaste koste per aansoek
17.5 Plan Tekeninge	<ul style="list-style-type: none"> • Vaste koste per swart en wit of gekleur
17.6 Gerekaniseerde kaart per pdf.leër	<ul style="list-style-type: none"> • Vaste koste per pdf.leër
17.7 Aansoeke om hersonering (nie van toepassing op onderverdeelde areas nie)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.8 Aansoek om hersonering (van toepassing op onderverdeelde areas) addisionele bedrag per landgebruik (oop ruimtes en paaië uitgesluit)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek, plus addisionele bedrag per land gebruik
17.9 Aansoeke om vergunningsgebruike	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
17.10 Aansoeke om vergunningsgebruike slegs vir Huiswinkels	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.11 Aansoeke om verlenging van geldigheidsduur van goedkeurings vir hersonering en vergunningsgebruik	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.

17.12 Aansoeke om onderverdeling – • tot 10 erwe • bo 10 erwe	<ul style="list-style-type: none"> • Vaste bedrag per aansoek. • Vaste bedrag per onderverdeling tot 10 erwe • Vaste bedrag per onderverdeling bo 10 erwe
17.13 Onderverdeling van meer as 10 erwe – per erf	<ul style="list-style-type: none"> • Vaste bedrag per erf bo 10 erwe – per erf
17.14 Aansoeke om verlenging van geldigheidsduur van goedkeurings vir onderverdeling.	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.15 Aansoek om afwykings: • erwe < 500 m ² • erwe 501 m ² – 750 m ² • erwe > 750 m ²	<ul style="list-style-type: none"> • Vaste bedrag per aansoek. • Vaste bedrag per aansoek. • Vaste bedrag per aansoek.
17.16 Aansoek om afwyking (Verordening)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
17.17 Aansoek om afwyking slegs deur Huiswinkels	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.18 Aansoek om opheffing van beperkende voorwaardes.	<ul style="list-style-type: none"> • Beraamde werklike koste plus % toeslag vir administrasiekoste.
17.19 Sluit van Publiek plek	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
17.20 Konsolidasie van grond eenhede	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
17.21 Wysiging of kansellasië van Algemene Plan	<ul style="list-style-type: none"> • Vaste bedrag per aansoek
17.22 Advertensiekoste en posgeld t.o.v. adverteer van hersonering, onderverdeling, vergunningsgebruike en afwykende gebruiksaansoeke, in gevolge van (SPLUMA/LUPA/BY-LAW) per enkel aansoek - koerant	<ul style="list-style-type: none"> • Vaste bedrag per enkel aansoek - koerant
17.23 Advertensiekoste en posgeld t.o.v. adverteer van hersonering, onderverdeling, vergunningsgebruike en afwykende gebruiksaansoeke, in gevolge van (SPLUMA/LUPA/BY-LAW) per kombinasie aansoek - koerant	<ul style="list-style-type: none"> • Vaste bedrag per kombinasie aansoek - koerant
17.24 Advertensiekoste en posgeld t.o.v.	

adverteer van hersonering, onderverdeling, vergunningsgebruike en afwykende gebruiksaansoek – Provinsiale Gazette	<ul style="list-style-type: none"> • Vaste bedrag per kombinasie aansoek – Provinsiale Gazette
17.25 Posgeld betaalbaar	<ul style="list-style-type: none"> • Vaste koste per eenheid
17.26 Uitreik van afdeling 31 sertifikaat (ord. 15/85)	<ul style="list-style-type: none"> • Vaste bedrag per goedkeuring per erf
17.27 Uitreik van afdeling 28 (Verordening)	<ul style="list-style-type: none"> • Vaste bedrag per goedkeuring per erf
17.28 Wysiging van goedgekeurde voorwaardes (aansoekfooi sal slegs toepaslik wees as aansoek 'n openbare deelnameproses vereis)	<ul style="list-style-type: none"> • Vaste bedrag per wysiging
17.29 Wysiging van goedgekeurde voorwaardes (aansoek sonder 'n openbare deelnameproses)	<ul style="list-style-type: none"> • Vaste bedrag per wysiging
17.30 Goedkeuring van 'n grondwet	<ul style="list-style-type: none"> • Vaste bedrag
17.31 Goedkeuring van 'n argitektoniese ontwerphandleiding	<ul style="list-style-type: none"> • Vaste bedrag
17.32 Wysiging van 'n grondwet of argitektoniese ontwerp	<ul style="list-style-type: none"> • Vaste bedrag
17.33 Boete vir ongemagtigde grondgebruik	<ul style="list-style-type: none"> • Vaste bedrag per dag na sluiting van Finale Kennisgewing
17.34 Uitreiking van soneringsertifikaat	<ul style="list-style-type: none"> • Vaste bedrag per sertifikaat.
17.35 CD vir ROR	<ul style="list-style-type: none"> • Vaste bedrag per CD.
17.36 CD vir Sonering Skemaregulasies	<ul style="list-style-type: none"> • Vaste bedrag per CD.
17.37 Aansoek met redes vir besluit aan die aansoeker geneem deur die Waardasie Appèlraad rakende Wet op Eiendomstariëwe (6 van 2004) afdeling 53(2)	<ul style="list-style-type: none"> • Vaste bedrag per aansoek.
17.38 Wysiging van ROR	<ul style="list-style-type: none"> • Vaste bedrag per wysiging.
18. WOONWAPARK EN CHALETS: TARIËWE	

18.1 Kampeertereinpersele vir woonwaens en/of tente (buite seisoen):	<ul style="list-style-type: none"> • beperk tot 4 persone per perseel • meer as 4 persone per perseel 	<ul style="list-style-type: none"> • Vaste bedrag vir 4 persone per nag. • Vaste bedrag vir elke addisionele persoon per nag.
18.2 Kampeertereinpersele vir woonwaens en/of tente (binne seisoen):	<ul style="list-style-type: none"> • beperk tot 4 persone per perseel • meer as 4 persone per perseel 	<ul style="list-style-type: none"> • Vaste bedrag vir 4 persone per nag. • Vaste bedrag vir elke addisionele persoon per nag.
18.3 Chalets (buite seisoen) –	• Beperk tot 6 persone per chalet.	• Vaste bedrag vir 6 persone per nag.
18.4 Chalets (binne seisoen) –	• Beperk tot 6 persone per chalet	• Vaste bedrag vir 6 persone per nag.
18.5 Toegangsgelde vir besoekers-	• toegangsgelde vir motorvoertuig plus toegangsgelde vir persone	<ul style="list-style-type: none"> • Vaste bedrag per motorvoertuig • Vaste bedrag per persoon. • Vaste bedrag per persoon per nag.
18.6 Staanplek sonder enige geriewe vir fietsryers met eenman tente.		
18.7 Woonwastoorplek		• Vaste bedrag per stoorplek.
18.8 Huur wasmasjiene		• Vaste bedrag per was.
18.9 Gelde betaalbaar by bespreking- Chalets – Desember/Januarie Paasnaweek Ander tydperke		<ul style="list-style-type: none"> • 100% van gelde betaalbaar vir bespreekte tydperk. • 100% van gelde betaalbaar vir bespreekte tydperk.
Kampeerpersede – Desember/Januarie Paasnaweek		<ul style="list-style-type: none"> • 100% van gelde betaalbaar vir bespreekte tydperk. • 100% van gelde betaalbaar vir bespreekte tydperk.
18.10 Kansellasië van bespreking van chalets /kampeertereinpersele		• Bedrag betaalbaar minus 10% kanselleringsfooi.
18.11 Afslag vir pensioenarisse en groepe: Pensioenarisse- Groepe:		10% afslag
10-15 karavane		10% afslag
16-25 karavane		15% afslag
		20% afslag

26-50 karavane Meer as 50 karavane	25% afslag
18.12 Breekskade van Chalets kombuis ware	• Vaste koste per item wat gebreek is
18.13 Verhuring van beddegoed vir Chalets	• Vaste koste vir beddegoed huur
19. AD HOC VERHURING VAN TERREINE EN SPORTTEREINE	
19.1 Verhuur van sirkusterrein.	• Vaste bedrag per bespreking per dag.
19.2 Verhuur van oop terreine vir kerkdienste.	• Vaste bedrag per bespreking per dag of deel van dag .
19.3 Verhuur van terrein vir mallemeule.	• Vaste bedrag per bespreking per dag.
19.4 Verhuur van smousstaanplekke	• Vaste bedrag per staanplek.
19.5 Kansellasië van sportgronde verhuring	• Werklike koste plus 15% van seisoenfooi
20. VERKEERSDEPARTEMENT: TARIWE VIR VERKEERSDIENSTE	
20.1 Begeleiding van voertuie deur die dorp.	• Vaste bedrag per uur per beampte
20.2 Voorsiening van dienste aan instansies bv. sportliggame; begrafnisbegeleidings, feeste, ens.	• Vaste bedrag per uur per geleentheid.
20.3 Sluiting van paaie vir privaat of toerisme aktiwiteite	• Vaste bedrag betaalbaar
21. HAW EN VISMARKTARIEWE: YZERFONTEIN	
21.1 Gebruik van hawefasiliteite- Alle bote	• Vaste bedrag per diens.
21.2 Toegangsgelde vir motorvoertuie	• Vaste bedrag per motorvoertuig.
21.3 Toegangsgelde betaalbaar t.o.v. gebruik van vismarkfasiliteite.	• Vaste bedrag per diens.

9. Kennisgewing van tariewe, fooie en diensteheffings

(1) Die munisipaliteit moet ten minste 30 dae voor die inwerkingtreding van alle fooie en diensgelde tariewe wat tydens die begrotingsvergaderings goedgekeur is, kennis gee.

(2) Die munisipaliteit moet op 'n aangewese plek 'n kennisgewing vertoon wat die inhoud van die raadsbesluit en die datum waarop die tariewe in werking tree, bevat.

SWARTLAND MUNICIPALITY TARIFF BY-LAW

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996 the Swartland municipality, enacts as follows:-

Contents

1. Definitions
2. Adoption and implementation of policy
3. Contents of the tariff policy
4. Application and enforcement of the policy
5. Repeal
6. Short title and commencement

1. Definitions

In this by-law, the English text prevails in the event of any conflict with the Afrikaans text, and, unless the context otherwise indicates –

“agricultural consumer” includes but is not limited to farms, smallholdings and agricultural show grounds;

“availability charges” means a monthly levy that may be levied against immovable property with or without improvements, which is not connected to any municipal service works, where such property can be reasonably so connected;

“break even” occurs where the volume sales are equal to the fixed and variable cost associated with the provision of the service;

“charitable and welfare institutions and organisations” include but are not limited to any institution managed on a non profitable basis by a church association or a registered charity organisation such as –

- (a) old age homes;
- (b) pre-primary schools;
- (c) care facility for pre-primary children;
- (d) old age facility;
- (e) care facilities for the homeless; and
- (f) children’s homes.

“commercial consumer” includes but is not limited to business undertakings, shops, offices, liquor stores, supermarkets, public garages, gathering places, nurseries, places of entertainment, service stations, hairdressing salons, banks, hotels, guesthouses, boarding houses and doctor and dentist consulting rooms;

“community service” means services classified as such by the municipality in respect of which the tariffs are of a regulatory nature, and set at a level where the costs are not recovered fully from public service charges;

“council” means the municipal council of the Swartland municipality;

“councillor for financial matters” means the councillor of the municipal council responsible for financial matters;

“cost recovery tariff” a tariff which must cover the total cost in respect of the service delivered by the municipality which may include a profit to ensure financial sustainability;

“domestic consumer” includes but is not limited to:

residential premises, group housing, town houses, semi-detached houses and flats;

“economic service” means services classified as such by the municipality for which tariffs are determined with the intention to recover the total costs of the services from consumers;

“educational and community institution” includes but is not limited to schools, colleges, or pre-primary schools that are not operated by a registered charity or welfare organisation, libraries, museums, churches, hospitals, clinics, correctional institutions, school hostels and community halls;

“fixed costs” means costs which do not vary with consumption or volume produced;

“indigent household” means households that are registered as such in terms of the municipality’s Credit Control and Debt Collection By-law;

“industrial consumers” includes but is not limited to:

industrial undertakings, factories, warehouses, workshops, scrap yards, stores, wine cellars, abattoirs, dairy processing plants and fish markets;

“in season” means the period from the 1st December of a year up to 31 January of the following year and from the Monday before the Easter weekend up to and including Easter Monday;

“lifeline tariff” means a unit charge calculated by dividing the total cost associated with the service by the volume consumed (units);

“municipality” means the municipality of Swartland and includes any delegated official or service provider of the municipality;

“municipal services” means “*municipal services*” as defined in section 1 of the Act, and includes a function or a combination of functions listed in Schedules 4B and 5B of The Constitution of the Republic of South Africa, 1996, and any other service rendered by the municipality;

“policy” means the Tariff Policy adopted by the municipality as reflected in the Schedule to this by-law which Schedule refers;

“resident” means a person who is an ordinary resident in the municipal area;

“special agreement” means a special tariff agreement entered into with a consumer who makes a significant economic contribution to the community and who creates job opportunities;

“special refuse” means perishable foodstuffs emanating from abattoirs, fish processing plants, fruit processing plants, etc.

“sport and recreation facilities” include but are not limited to –

- (a) properties used exclusively for sport and recreation purposes;
- (b) school sport fields which are metered separately for water and electricity consumption; and
- (c) caravan parks;

“the Act” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

“this by-law” includes the Credit Control and Debt Collection Policy as reflected in the Schedule;

“total cost” means the sum of all fixed and variable costs associated with a service;

“trading services” means services classified as such by the municipality for which tariffs are determined with the intention to make a profit on the delivery of the services;

“two-part tariff” means a tariff in respect of a service as determined by Council which will be levied separately to recover the fixed and variable costs where the fixed costs are calculated by dividing the total fixed costs by the number of customers per category and the variable costs are calculated by dividing the total variable costs by the volume consumed;

“units consumed” means the number of units consumed of a particular service and which are measured in terms of the tariff structure reflected in paragraph 9;

“variable costs” means costs that vary with consumption or volume produced.

2. Adoption and implementation of tariff policy

(1) The municipality must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements which complies with the provisions of the Systems Act, the Local Government: Municipal Finance Management Act, No 56 of 2003 and any other applicable legislation.

(2) The municipality shall not be entitled to impose tariffs other than in terms of a valid tariff policy.

3. Contents of the policy

The municipality’s tariff policy shall –

- (a) reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of tariffs which the municipality may wish to adopt;
- (b) specify the manner in which the principles referred to in section 74(2) are to be implemented in terms of the tariff policy;
- (c) specify the basis of differentiation, if any, for tariff purposes between different categories of consumers, service providers, services and service standards as long as such differentiation does not amount to unfair discrimination; and
- (d) include such further enforcement mechanisms, if any, as the municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and Policy.

4. Application and enforcement of the policy

(1) The policy shall apply to all tariffs determined by the municipality during the annual budget process; provided that the municipality may determine tariffs during the course of a financial year when –

- (a) a new service is introduced;
- (b) no tariff for an existing service has previously been imposed; or
- (c) it is necessary to correct a tariff already imposed.

(2) Payment of tariffs shall be enforced through this by-law, the Credit Control and Debt Collection By-law and any other enforcement mechanisms determined by the municipality.

5. Repeal of by-laws

The Tariff By-law published in Provincial Gazette 7825 on 11 July 2104 is hereby repealed.

6. Short title and commencement

This By-Law shall be known as the Tariff By-Law of Swartland Municipality and shall become effective on 1 July 2015.

SCHEDULE

SWARTLAND MUNICIPALITY TARIFF POLICY

In terms of section 74 of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000) the Municipality of Swartland adopts the following Tariff Policy –

Table of contents

1. Objectives of policy
2. Tariff principles
3. Categories of consumers
4. Service classification
5. Expenditure classification
6. Cost elements
7. Tariff types
8. Tariff structure and methods of calculations
9. Notification of tariffs, fees and service charges

1. Objectives of policy

The objectives of this policy are –

- (a) to comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and
- (b) to give guidance to the councillor responsible for finance regarding tariff proposals to be submitted to council annually during the budget process.

2. Tariff principles

The following principles shall apply –

- (a) restricted free services to consumers and financial assistance to indigent households shall be considered only in as far as it can be financed from –
 - (i) financial allocations by the National Government; and
 - (ii) a grant for that purpose by the municipality, which shall be determined annually during the budget process.
- (b) all consumers of municipal services must be treated equitably and the various categories of consumers must pay the same charges based on the same cost structure;
- (c) the amount payable by consumers must be in proportion to usage of the service;

- (d) indigent households must at least have access to basic services through lifeline tariffs or direct subsidisation;
- (e) tariffs must reflect the total cost of services unless stated otherwise in this policy document;
- (f) where provided for in this policy, consumers may choose a tariff from a range of applicable tariffs;
- (g) tariffs must be set at a level that facilitates the sustainability of services by ensuring that –
 - (i) cash inflows cover cash outflows which mean that sufficient provision for working capital and bad debts must be made; and
 - (ii) access to the capital market is maintained by providing for the repayment of capital, maintaining sufficient liquidity levels and making profit on trading services.
- (h) provision shall be made in appropriate circumstances for a surcharge on a tariff which will apply when a restriction of use is required which may include national disasters and periods of droughts;
- (i) efficient and effective use of resources shall be encouraged by providing for penalties to prohibit exorbitant use;
- (j) the extent of subsidisation of tariffs shall be disclosed;
- (k) VAT is excluded from all tariffs and shall be additional to these tariffs when applicable.

3. Categories of consumers

- The tariff structure may provide for the following categories of consumers-
 - (a) domestic consumers;
 - (b) commercial consumers;
 - (c) industrial consumers;
 - (d) agricultural consumers;
 - (e) municipalities;
 - (f) consumers with whom special agreements were made;
 - (g) consumers in certain geographical areas;
 - (h) sport and recreation facilities;
 - (i) educational and communal institutions; and
 - (j) charitable and welfare institutions and organisations.
 - (k) Government.
- (2) The municipality may differentiate between different categories of consumers, debtors, service providers, services, service standards and other matters.
- (3) The differentiation shall be based on one or more of the following elements –
 - (a) infrastructure costs;
 - (b) volume usage; or
 - (c) availability and service standards.

4. Service classification

The municipality may, subject to the guidelines provided by the National Treasury and the Mayoral Committee, make provision for the following classification of services:

- (a) **trading services**
 - (i) water
 - (ii) electricity
 - (iii) camping facilities
- (b) **economic services**
 - (i) refuse removal
 - (ii) sewage disposal
- (c) **community services**
 - (i) air pollution
 - (ii) fire fighting services
 - (iii) local tourism
 - (iv) town planning
 - (v) municipal public works
 - (vi) storm water management system in built-up areas
 - (vii) trading regulations
 - (viii) fixed billboards and the display of advertisements in public places
 - (ix) cemeteries
 - (x) control of public nuisances
 - (xi) control of undertakings that sell liquor to the public
 - (xii) facilities for accommodation, care and burial of animals
 - (xiii) fencing and fences
 - (xv) licensing and control of undertakings that sell food to the public
 - (xvi) local amenities
 - (xvii) local sport facilities
 - (xviii) municipal parks and recreation
 - (xix) municipal roads
 - (xx) noise pollution
 - (xxi) pounds
 - (xxii) public places
 - (xxiii) street trading/street lighting
 - (xxiv) traffic and parking
 - (xxv) building control
 - (xxvi) licensing of motor vehicles and transport permits
 - (xxvii) nature reserves

5. Expenditure classification

Expenditure may be classified as:

- (a) Subjective classification which includes –
 - (i) salaries, wages and allowances
 - (ii) bulk purchases
 - (iii) general expenditure
 - (iv) repairs and maintenance
 - (v) capital charges (interest and redemption) / depreciation
 - (vi) contribution to fixed assets
 - (vii) contribution to funds –
 - (aa) bad debts;
 - (bb) working capital; and
 - (cc) statutory funds
 - (viii) contribution to reserves
 - (ix) gross expenditure
 - (x) less charge-out
 - (xi) net expenditure
 - (xii) income; and
 - (xiii) surplus/deficit

This classification of expenditure each with a unique vote must be applied to all cost centres.

- (b) Objective classification in terms of which the following cost centres must be created to which the costs associated with providing the service can be allocated –
 - (i) department
 - (ii) section/service
 - (iii) division/service

6. Cost elements

The following cost elements may be used to calculate the tariffs for the different services –

- (a) fixed costs which consist of the capital costs (interest and redemption) on external loans as well as internal advances or depreciation whichever are applicable to the service, and any other costs of a permanent nature as determined by the municipality;
- (b) variable cost which includes all other variable costs that have reference to the service; and
- (c) total cost which consists of the fixed cost and variable cost;
- (d) a cost recovery tariff; or
- (e) a combination of any of abovementioned tariffs.

7. Tariff types

In determining the type of tariff applicable to the type of service the municipality may make use of the following five options or a combination thereof –

- (a) a single tariff which shall consist of a cost per unit consumed and which will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Director: Financial Services the municipality may approve profits on trading services which will be added to cost of the service for the purpose of calculating the tariffs.
- (b) cost related two-to-three part tariff which shall consist of two to three parts –
 - (i) management, capital, maintenance and operating costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers;
 - (ii) variable costs may be recovered by a unit charge per unit consumed; and
 - (iii) three part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during periods of limited demand.
- (c) inclining block tariff which is based on consumption levels being categorised into blocks, with the tariff increasing as consumption levels increase. The first step in the tariffs will be calculated at break-even point and subsequent steps will be calculated to yield a result that would discourage excessive use of the commodity.
- (d) declining block tariff which is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fixed and variable cost and profit by the volume consumed and will only be used for special agreements;
- (e) a cost recovery tariff; or
- (f) a regulating tariff which is of a regulatory nature and the municipality may recover the full cost or a portion thereof associated with rendering the service.

8. Tariff structure and methods of calculations

The following tariff structure shall be applied to determine tariffs –

- (1) Water
 - (a) Tariff structure-
 - (i) fixed tariff per consumer plus a single tariff per unit used (kilolitres used);
 - (ii) single tariff per consumer; or
 - (iii) a cost recovery tariff;
 - (b) Method of calculation-
 - (i) the fixed costs of the service shall consist of the costs indicated as such by the municipality;
 - (ii) the number of consumers shall be used to determine the fixed costs per consumer;

- (iii) where a fixed cost per consumer is charged, the unit charge shall be calculated by dividing the variable cost by the volume consumed;
- (iv) where a fixed cost per consumer is not charged, the unit charge shall be calculated by dividing the total cost by volume consumed;
- (v) if for any reason a meter cannot be read or has not been read, the municipality shall be entitled to render an account based on the estimated consumption calculated on the last known 3 months' average consumption preceding the date on which the meter was last read;
- (vi) where a property is not connected to the water reticulation system but can reasonably be so connected, an availability charge equal to the unit tariff per kiloliter, as determined annually by Council;
- (vii) profit made on the service shall be added to the fixed and variable cost before tariffs are calculated.

• Electricity

- (a) Tariff structure –
 - (i) kWh – Active Energy;
 - (ii) kVA – maximum demand (thermic or block) register in a half an hour period;
 - (iii) kVArh – Reactive Energy;
 - (iv) peak, standard and off-peak time periods – according to bulk purchase tariff structure;
 - (v) high and low consumption seasons – according to bulk purchase tariff structure;
 - (vi) allocation of holiday season – according to bulk purchase tariff structure;
- (b) Method of calculation –
 - (i) the guidelines and policy issued by the National Electricity Regulator shall form the basis for calculating tariffs;
 - (ii) cross subsidisation between and within categories of consumers may be allowed based on the load factors of the categories and consumers within the category;
 - (iii) portions of the fixed costs will be recovered through an energy or time-of-use charge.
 - (iv) in applying the abovementioned principle, the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables shall be used-

Tariff types	Fixed charge Rands/ consumer/ Month	Active Energy charge cents / kWh	Seasonally Time-of-use Energy charge Peak Standard Off-peak	Capacity- charge Rands / kVA / month	Reactive energy charge cents / kWh
One part		X			
One part block 1		X			
Block block 2		X			
Two part	X	X			
Two part Block	X				
Block 1		X			X
Block 2		X			X
Block 3		X			X
Block 4		X			X
Three part	X	X		X	
Three part time-of-use	X				X
Peak			X		
High season Standard			X		
Off-peak			X		
Peak			X		
Low season Standard			X		
Off-peak			X		
Four part time-of-use	X			X	X
Peak			X		
High season Standard			X		
Off-peak			X		
Peak			X		
Low season Standard			X		
Off-peak			X		
Three part Net-Metering	X				
Import		X			
Export		X			

(aa) The one-part single energy rate tariff –

All costs allocated to a consumer category which normally makes use of a one-part single energy rate tariff shall be expressed in a single cents/kWh charge, calculated as follows –

- (i) the maximum demand costs (rands/kVA/month) of all consumers that will normally use a single tariff will be calculated by considering the average load factor applicable to the type of consumers and added to the variable cost;
- (ii) the fixed cost (rand per consumer per month) and the energy cost (kWh) shall be added to the variable cost;
- (iii) the total cost (maximum demand, fixed and energy costs) allocated to consumers which normally uses a one-part-single-energy tariff shall be calculated at a break-even point comparable with the number of kWh units determined by Eskom;
- (iv) the total cost will be expressed in a cents/kWh tariff.

(bb) The two-part tariff –

- (i) a portion of the fixed cost equal to the operating and administrative cost of the Electricity Department shall be recovered through a rands per consumer per month charge;
- (ii) the remaining portion of the fixed cost will be added to the variable cost and recovered through a unit charge (cent/kWh charge);
- (iii) the tariff consists of a fixed monthly charge plus a variable charge related to metered kWh consumption.

(cc) The three-part tariff –

- (i) a portion of the fixed cost as described in sub paragraph (2)(bb)(i) shall be recovered through a rand/consumer/ month charge;
- (ii) the remaining portion of the fixed cost shall be recovered through a unit charge (cent/kWh) and maximum demand charge (rand/kVA/month);
- (iii) the maximum demand charge (rand/kVA cost) shall be recovered through the capacity charge where applicable;
- (iv) the cent/kWh charge shall recover the total variable cost plus portions of re-allocated fixed and demand charges (rand/consumer/month and rand/kVA costs) where applicable.

(dd) Time-of-use tariff –

- (i) time-of-use tariffs offered shall be based on the peak, standard and off-peak tariffs and time periods of the supply authority to maintain cost recovery in the

event of load profile shifting. Transmission and distribution network charges may be recovered through rand/kVA charges;

- (ii) the cents/kWh charge recovers the full variable costs as well as a portion of the reallocated rands/kVA charges where applicable;
- (iii) the rands per consumer per month charge is not reallocated;
- (iv) the structure of the time-of-use tariff will be calculated according to the purchase structure;
- (v) the time-of-use tariff will only be offered in areas where similar tariffs are available to the municipality;
- (vi) where a profit is made on the service it will be added to the fixed and variable cost before tariffs are calculated.
- (vii) where a property is not connected to the electricity reticulation system but can reasonably be so connected, an availability tariff equal to the fixed costs calculated in accordance with the provisions of sub paragraph (2)(b) shall be payable.

(ee) Net metering –

- (i) net-metering import tariff (energy supplied to the consumer) cent/kWh charges shall be based on the average cost of supply including a portion of operating cost, surplus and purchase cost allowing for time-of-use tariff variations;
- (ii) net-metering export tariff (energy supplied by the consumer) cent/kWh charges shall not exceed the average cost of purchase allowing for time of use tariffs applicable during the time period of supply;
- (iii) a portion of the fixed cost equal to the operating and administrative cost of the Electricity Department shall be recovered through a rands/consumer/month charge.

(3) Waste removal

(a) Unit of measurement-

- (i) number of premises whether built on or not, is a basic unit;
- (ii) bulk waste removal;
- (iii) cost recovery tariff
- (iv) special waste;
- (v) gate levies/coupons

(b) Method of calculation –

- (i) a cost recovery tariff equal to the unit tariff applicable to domestic consumers shall be levied on each premises whether built upon or not;
- (ii) a unit tariff per premise, whether residential or other institution, shall be levied which will be calculated by dividing the total cost by the total number of premises;
- (iii) where more than one dwelling unit, as defined in the municipality's scheme regulations, are situated on premises (such as semi-detached units or blocks of flats), each such dwelling unit shall be regarded as separate premises for the purposes of this paragraph;
- (iv) for each business on premises a compulsory waste removal tariff shall be charged that will be adjusted according to volume of waste removed. The waste unit for business is two plastic bags or two 85 litre waste bins or a 240 litre wheely bin per week. For residential premises it is unlimited.
- (v) a waste tariff equal to the unit tariff levied in terms of sub paragraph (b)(ii) & (iv) in respect of the removal of waste on premises situated within the urban fringe areas of the towns of Malmesbury, Moorreesburg, Riebeek-Wes, Riebeek-Kasteel, Darling, Yzerfontein, Abbotsdale, Kalbaskraal, Chatsworth, Riverlands and Koringberg and Ongegund shall be applicable to waste removal once a week per premises.
- (vi) with regard to premises situated outside the above mentioned urban fringe areas, or the occasional removal of refuse, a tariff based on a levy per load or part thereof shall be levied;
- (vii) the tariff for special waste shall be levied by adding the cost of air space occupied, measured in tons, to the actual cost to treat and cover such waste;
- (viii) the coupon prices for waste delivered personally at waste sites, shall be determined according to vehicle capacity, the air space occupied as well as the cost to cover such waste daily;
- (ix) waste tariffs shall be levied monthly.
- (c) Where a waste removal service is available, whether such service is used or not, an availability tariff equal to the monthly tariff applicable to residential and business premises shall be levied

(4) Sanitation:

(a) Unit of measurement –

- (i) number of toilets;
- (ii) formula based water flow tariff; or
- (iii) a cost recovery tariff.

(b) Method of calculation –

- (i) an availability charge may be levied at a tariff equal to the unit tariff applicable to residential consumers where a property is

- not connected to the sewerage reticulation system but can reasonably be so connected;
- (ii) a unit charge per consumer may be charged; the tariff will be calculated by dividing the total cost by the total number of premises connected to the sewerage reticulation system;
 - (iii) where more than one dwelling unit, as defined in the municipality's zoning scheme regulations, is situated on premises (such as a semi-detached dwelling or a block of flats etc.), each such a dwelling unit shall for the purpose of this paragraph, be considered to be separate premises;
 - (iv) a surcharge of 15% shall be levied for each additional toilet in respect of consumers mentioned in paragraphs 3(1)(b) to 3(1)(k)
 - (v) the tariff payable for the removal of the contents of a conservancy tank shall be equal to the unit tariff levied in terms of sub paragraph 4(b)(i) in respect of conservancy tanks in use on premises situated within jurisdictional area of the municipality; where a third suction is done in the same month during Easter Weekend or school holidays, such suction shall be done at no cost while a fourth suction in the same month shall be done at actual cost.
 - (vi) a tariff, based on a charge per load to be removed, may be levied for the emptying of conservancy tanks on premises situated outside the urban fringe areas or for the occasional removal of the contents of a septic tank on such premises;
 - (vii) charges payable in terms of sub paragraph (vi) must be levied by the Incident program monthly;
 - (viii) where requests by any consumer to whom a waste removal service is received by Emergency Services after ordinary office hours, the actual cost shall be levied by the Incident program;
 - (ix) industries classified as wet industries (water intensive industries) shall pay a treatment cost based on the following formula in addition to a tariff per cistern:

$$B = 0,85 V[R \times \text{COD}] / 1000$$

$$B = \text{Treatment cost}$$

$$V = \text{Volume of water used in kiloliter}$$

$$R = \text{Cost of treating of 1 Kilogram COD in R/kilogram COD}$$

$$\text{COD} = \text{Chemical oxygen demand in milligram per litre}$$
 - (x) industries classified as wet industries and equipped with a flow measurement device to record the effluent volume, the following shall apply:

$$B = V[R \times \text{COD}] / 1000$$

$$B = \text{Treatment cost}$$

$$V = \text{Volume of effluent in kiloliter}$$

R = Cost of treating of 1 Kilogram COD in R/kilogram COD
 COD = Chemical oxygen demand in milligram per litre

- (xi) sewerage tariffs shall be levied monthly.
- (c) Where property is not connected to any water bearing sanitation system or a sanitation pumping system, but can reasonably so connected, a monthly availability charge equal to the fixed cost calculated in terms of sub paragraph (1)(b), shall be levied, provided that such availability charge shall not be applicable not premises where french drains exist.
- (5) Community services
 - (a) Tariff structure –
 - (i) the tariff structure as reflected in table 1 below shall be used to determine regulatory community and subsidised services.
 - (b) Method of calculation –
 - (i) these tariffs may be adjusted annually by a percentage as determined by the council during its budget process, or by a recalculation of the estimated actual cost.

Table 1

FUNCTION	UNIT OF RETURN
1. SUNDRY SERVICE CHARGES	
1.1 Information regarding valuation of properties.	• Fixed amount per enquiry per property.
1.2 Issuing of Valuation certificate of a property.	• Fixed amount per certificate.
1.3 Issuing of Clearance valuation certificate of a property.	• Fixed amount per certificate.
1.4 Issuing of second duplicate account.	• Fixed amount per duplicate account.
1.5 Photocopying: A4 size A3 size	• Fixed amount per photocopy.
1.6 Copies of building plans and area maps.	• Fixed amount per copy.
1.7 Computerised area maps.	• Fixed amount per map for A0, A1, A2, A3 and smaller sizes respectively.
1.8 Dishonouring charges payable when bank dishonours a cheque and debit order – ACB system	• Amount equal to the costs levied by the bank plus 15% admin cost.
1.9 Unidentified items on Municipal bank statement (Enquiry fees by Bank)	• Amount equal to the cost levied by the bank plus 15% admin cost.

FUNCTION	UNIT OF RETURN
1.10 Fax: Received and/or sent. 1.11 Cleaning of erven	<ul style="list-style-type: none"> Fixed amount per fax. Actual cost, plus 15% Admin cost.
1.12 Application for open burning 1.13 Application for pesticide spraying	<ul style="list-style-type: none"> No cost – Council Resolution No cost – Council Resolution
2. LETTING OF TOWN HALLS AND COMMUNITY HALLS	
2.1 Hall reservations taking into account various uses thereof.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.2 Hall reservations, including kitchen by standing users.	<ul style="list-style-type: none"> Fixed amount per annum.
2.3 Use of side wards additional to main hall.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.4 Use of kitchen additional to main hall or side ward.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.5 Use of refreshment room additional to main hall or side ward.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.6 Use of facilities one day prior to date of reservation.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.7 Deposit payable in respect of the use of the hall and the facilities.	<ul style="list-style-type: none"> Fixed amount per reservation.
2.8 Cancellation of reservation.	<ul style="list-style-type: none"> 10% of the rental payable to cover administration costs shall be recovered from the deposit paid.
3. LIBRARY FEES	
3.1 Fine for the late return of books or CDs.	<ul style="list-style-type: none"> Fixed amount per week or portion of a week per item.
3.2 Fine for late return of a video or DVD	<ul style="list-style-type: none"> Fixed amount per day or portion of a day per video.
3.3 Lost lender tickets.	<ul style="list-style-type: none"> Fixed amount per ticket.
3.4 Booking of library material- <ul style="list-style-type: none"> material in stock material not in stock 	<ul style="list-style-type: none"> Fixed amount per booking. Fixed amount per booking.
4. ELECTRICAL SERVICE CONNECTION	
4.1 Service connections up to 30 metres 10 mm ² x 2 core with standard credit meter.	<ul style="list-style-type: none"> Fixed amount per 30 metre Estimated cost based on a 30 metre connection plus a % levy

FUNCTION	UNIT OF RETURN
	for administrative costs.
4.2 Additional cable per meter – maximum 50 ampère (household).	<ul style="list-style-type: none"> Fixed amount per metre
4.3 Service connections more than 30 metres 16 mm ² x 2 core with standard credit meter.	<ul style="list-style-type: none"> Fixed amount per 30 metre Estimated cost based on a 30 metre connection plus a % levy for administrative costs.
4.4 Additional cable per metre – maximum 60 ampère (household) and 80 ampère (business).	<ul style="list-style-type: none"> Fixed amount per metre
4.5 Service connections up to 30 metres 16 mm ² x 4 core with standard credit meter.	<ul style="list-style-type: none"> Fixed amount per metre Estimated actual cost based on a 30 metre connection plus a % levy for administrative costs.
4.6 Additional cable per meter – maximum 3 x 40 ampère household and 3 x 80 ampère business	<ul style="list-style-type: none"> Fixed amount per metre
4.7 Service connections more than 30 metres 16 mm ² with standard meter	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
4.8 Service connections up to 30 meters 16 mm ² x 4 core with standard meter	<ul style="list-style-type: none"> Estimated actual cost based on a 30 metre connection plus a % levy for administrative costs.
4.9 Service connection more than 30 metres 16 mm ² x 4 core with standard meter	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs
4.10 Erven with installed service connections.	<ul style="list-style-type: none"> Fixed amount per connection.
4.11 Single Relay – in areas where the geyser load management system is implemented, the applicant is responsible to install a load management relay for the control of the geyser	<ul style="list-style-type: none"> Fixed amount per single relay
4.12 Double Relay - in areas where the geyser load management system is implemented, the applicant is responsible to install a load management relay for the control of the geyser	<ul style="list-style-type: none"> Fixed amount per double relay
4.13 Repair of cable and additional joint	<ul style="list-style-type: none"> Fixed amount per cable joint

FUNCTION	UNIT OF RETURN
<p>4.14 Additional levy i.r.o tampering- In the case where tampering to electrical equipment caused an incorrect electricity usage registered through the meter, an additional levy for the upgrading of a connection will be payable by the registered consumer before reconnection. I.r.o. indigent households, the consumers will pay this additional levy before the service will be restored.</p> <p>4.15 Tampering Fees: In the case of tampering with electricity meters or where a consumer restored his or her own meter by breaking a seal, a tampering fee per meter is payable by the registered consumer before reconnection.</p>	<ul style="list-style-type: none"> Fixed amount Fixed amount
<p>5. SALE OF PREPAID ELECTRICAL METERS</p> <p>5.1 Pre-paid Single phase meter (programming included) – to service connection kWh maximum 100amp.</p> <p>5.2 Pre-paid Three phase meter (programming included) to service connection kWh maximum 100amp.</p> <p>5.3 Pre-paid 1-phase split meter (programming included)</p> <p>5.4 Pre-paid 3-phase split meter (programming included)</p>	<ul style="list-style-type: none"> Fixed amount per application Actual purchase price plus % levy of administrative costs Fixed amount per application Actual purchase price plus % levy of administrative costs Amount based on quotation Amount based on quotation
<p>6. SUNDRY SERVICES: ELECTRICITY DEPARTMENT</p> <p>6.1 Call-out fee payable for private queries and problems (municipal electrical supply or connections not included)</p> <ul style="list-style-type: none"> Office hours After hours and Saturdays Public holidays and Sundays <p>6.2 Application by consumers for circuit</p>	<ul style="list-style-type: none"> Fixed amount per call Fixed amount per call

FUNCTION	UNIT OF RETURN
<p>breakers with a higher or lower rating per phase</p> <p>6.3 Services connections- connection for residential and business</p> <p>6.4 Testing of credit meter on request of consumer for accuracy: Single phase, three phase and maximum demand</p> <p>6.5 Additions to service connections kWh maximum 100amp to-</p> <ul style="list-style-type: none"> Single phase credit meter with circuit breaker Three phase credit meter with circuit breaker 	<ul style="list-style-type: none"> Fixed amount per connection Fixed amount per application Fixed amount per application
<p>7. ELECTRICITY DEPOSIT</p> <p>7.1 Electricity deposit included in consumer services deposit (water, electricity, refuse removal and sewage).</p> <p>7.2 Business – new consumers</p>	<ul style="list-style-type: none"> Fixed amount per consumer Double the amount of the average of the municipal account for three consecutive months i.r.o. electricity, water, sewerage and refuse removal. The deposit for newly erected buildings will be based on an estimate of the expected charges i.r.o. the mentioned services.
<p>8. WATER SERVICES CONNECTIONS</p> <p>8.1 15 mm connection – low cost housing</p> <p>8.2 15 mm connection – other connections</p> <p>8.3 22 mm connection</p> <p>8.4 Connections 22 mm private development</p> <p>8.5 Testing of water meters</p>	<ul style="list-style-type: none"> Cost will be determined as per contract Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs.

FUNCTION	UNIT OF RETURN
8.6 Damages to service connections and reticulation – costs to be recovered 8.7 Tampering fee: In the case of tampering with water meter installations or where a consumer restored his or her own meter by breaking a seal, a tampering fee per meter is payable by the registered consumer before re-connection.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Fixed Amount
9. SERVICES DEPOSIT 9.1 Deposit included in consumer services deposit (water, electricity, refuse removal, sewage). 9.2 Letting of a municipal stand pipe	<ul style="list-style-type: none"> Fixed amount per consumer Fixed amount per letting
10. SANITATION SERVICE CONNECTIONS 10.1 100 mm connections 10.2 150 mm connections 10.3 Damages to service connections and reticulation – costs to be recovered.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs.
11. SUNDRY SERVICES SANITATION 11.1 Emptying of sewerage tanks 11.2 Emptying of sewerage tanks (farms) 11.3 Emptying of sewerage tanks after ordinary office hours: Monday – Thursday from 17h00 Friday from 15h45 – Monday morning at 08h00. 11.4 Partial connections (pumping). 11.5 Industrial effluent per kg (COD)	<ul style="list-style-type: none"> Fixed sanitation levy as applicable to residential or business premises excluding premises where french drains exist. Actual cost per suction Actual cost per suction Fixed cost per suction divided by two Estimated actual cost plus % levy

FUNCTION	UNIT OF RETURN
11.6 Selling of treated waste water – all consumers, excluding Rooiheuvel JV treated waste water per kl. 11.7 Selling of treated waste water – Only for Rooiheuvel JV – they are responsible for the maintenance, repair and replacement of assets as well as for the operating cost – contract conditions. 11.8 Sewerage blockages.	<ul style="list-style-type: none"> for administrative costs As per agreement according the following components- operating cost and energy cost as determined by the municipality annually Fixed amount as determined by the municipality annually Estimated actual cost plus % levy for administrative costs –
11.9 Sewerage blockages (after hours) Monday – Thursday from 17:00 Friday from 15:45 to Monday morning at 08:00.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs
12. SANITATION DEPOSIT 12.1 Deposit included in consumer services deposit (water, electricity, refuse removal, sewage).	<ul style="list-style-type: none"> Fixed amount per consumer.
13. SUNDRY ENGINEERING SERVICES 13.1 Construction of single motor vehicle entrance – 3m ² . 13.2 Construction of double motor vehicle entrance – 6m ² . 13.3 Construction of motor vehicle entrance with storm water grid. 13.4 Tarring and patch work.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Estimated actual cost per m² plus % levy for administrative costs.
14. CEMETERY FEES 14.1 Single grave site – purchase price. 14.2 Single grave – children under 12 years. 14.3 Reservation of site. 14.4 Applications for a single grave burial on approval from non-Swartland	<ul style="list-style-type: none"> Fixed amount per site. Fixed amount per site. Fixed amount per site. Fixed amount per site – provides

FUNCTION	UNIT OF RETURN
Inhabitants 14.5 Reservation Application for a single grave burial on approval from Non-Swartland Inhabitants	last residing address <ul style="list-style-type: none"> Fixed amount per site – provides last residing address
14.6 Digging of grave – 1.8m	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
14.7 Covering of grave.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
14.8 Pointing out of grave site.	<ul style="list-style-type: none"> Fixed amount per site.
14.9 Digging of double depth grave – 2.7m	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
14.10 Opening of double depth grave.	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs.
14.11 Construction of brick lining: <ul style="list-style-type: none"> single grave extra deep grave 	<ul style="list-style-type: none"> Estimated actual cost plus % levy for administrative costs. Estimated actual cost plus % levy for administrative costs. Fixed amount per urn.
14.12 Wall of remembrance – purchases of storage space.	
14.13 Application for Availability of Temporary toilets at Funerals	<ul style="list-style-type: none"> Fixed cost per availability quantity of temporary toilets at Funerals
15. SWIMMING POOL FEES	
15.1 Per ticket and per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.
15.2 Per seasonal ticket per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.
15.3 For galas – during the week per Class I or per Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per gala per Class I and II swimming pool
15.4 For galas – weekends (Saturdays and Sundays) per Class I or per Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per gala per Class I and II swimming pool
15.4 For 2/3 camp gatherings (max 3 hours) per Class I or Class II swimming pool – during week and weekends (Saturdays and Sundays)	<ul style="list-style-type: none"> Fixed amount per 2/3 camp gatherings per Class I and II swimming pool – during week and weekends (Saturdays and Sundays)
15.5 Season fee for clubs and schools 1 – 6	<ul style="list-style-type: none"> Fixed amount per club or school

FUNCTION	UNIT OF RETURN
days per week per Class 1 or Class II swimming pool	per Class I or Class II swimming pool
15.6 Uplifting projects (non-exclusive usage max of 30 persons per day) per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per event per Class I or Class II swimming pool
15.7 Churches, Youth, Crèches, Sport Clubs – per person per Class I or Class II swimming pool	<ul style="list-style-type: none"> Fixed amount per ticket.
16. BUILDING PLAN FEES	
16.1 Approval of building plan fees.	<ul style="list-style-type: none"> Fixed amount per m².
16.2 Approval of building plan fees: rural areas.	<ul style="list-style-type: none"> Fixed amount per m².
16.3 Approval :Minimum building plan fees.	<ul style="list-style-type: none"> Fixed amount per building plan.
16.4 Building plan fees: low cost housing.	<ul style="list-style-type: none"> Fixed amount per building plan.
16.5 List of approved building plans (annual fees).	<ul style="list-style-type: none"> Fixed amount per building plan.
16.6 Approval: building plan fees (architectural design manual) per R/m ² .	<ul style="list-style-type: none"> Fixed amount per m².
16.7 Minor building work/boundary walls.	<ul style="list-style-type: none"> Fixed amount per building plan.
16.8 Boundary walls – per running metre	<ul style="list-style-type: none"> Fixed amount per running metre.
16.9 Extension of validity period	<ul style="list-style-type: none"> Fixed amount per application.
16.10 Extension of validity period after 12 months per m ²	<ul style="list-style-type: none"> Fixed amount per m²
16.11 Additional building fees – Start building without approval – Step 1. : Capture the Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works
16.12 Additional building fees – Start building without approval – Step 2. : Follow-up the Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works
16.13 Additional building fees – Start building without approval – Step 3. : Legal Process-	<ul style="list-style-type: none"> That 50% of these actual cost tariff structure will be applicable on minor building works

FUNCTION	UNIT OF RETURN
16.12 Issue of certificate of occupation i.t.o. A20 NBR for buildings where the total floor space is 500 square metres or less	<ul style="list-style-type: none"> Fixed amount for buildings where the total floor area is 500m² and smaller
16.13 Issue of certificate of occupation i.t.o. A20 NBR for buildings where the total floor space is more than 500 square metres	<ul style="list-style-type: none"> Fixed amount for buildings where the total floor area is in excess of 500m²
17. LAND USE APPLICATIONS AND SUB-DIVISIONS: TARIFFS	
17.1 Advertising signs	<ul style="list-style-type: none"> Fixed amount per sign.
17.2 Application fees- advertising signs erected without approval	<ul style="list-style-type: none"> Fixed amount per application.
17.3 Show house signs (payable per annum)	<ul style="list-style-type: none"> Fixed amount - annual.
17.4 Show house deposit	<ul style="list-style-type: none"> Fixed amount per application.
17.5 Town plans: Drawings	<ul style="list-style-type: none"> Fixed amount per black and white or coloured
17.6 Computerized area maps – per pdf.file	<ul style="list-style-type: none"> Fixed amount per pdf.file
17.7 Application for re-zoning (not applicable to sub divisional area)	<ul style="list-style-type: none"> Fixed amount per application.
17.8 Application for re-zoning (applicable to sub divisional area) additional amount per land use (open spaces and roads excluded)	<ul style="list-style-type: none"> Fixed amount per application plus additional amount per land use.
17.9 Application for consent uses.	<ul style="list-style-type: none"> Fixed amount per application.
17.10 Application for Consent Use – (House Shops ONLY)	<ul style="list-style-type: none"> Fixed amount for House Shops ONLY
17.11 Applications for extension of the validity period of approvals for re-zoning and consent uses.	<ul style="list-style-type: none"> Fixed amount per application.
17.12 Applications for sub-division: <ul style="list-style-type: none"> Until 10 erven above 10 erven Plus: above 10 erven – per erf 	<ul style="list-style-type: none"> Fixed amount per sub division until 10 erven. Fixed amount per sub division above 10 erven. Fixed amount per sub division

FUNCTION	UNIT OF RETURN
17.13 Sub divisions above 10 erven.	above 10 erven per erf <ul style="list-style-type: none"> Fixed amount per application above 10 erven.
17.14 Application for extension of period of sub divisions	<ul style="list-style-type: none"> Fixed amount per application.
17.15 Applications for departures: <ul style="list-style-type: none"> erven < 500 m² erven 501 m² – 750 m² erven > 750 m² 	<ul style="list-style-type: none"> Fixed amount per application. Fixed amount per application.
17.16 Application for departure (By-Law)	<ul style="list-style-type: none"> Fixed amount per application.
17.17 Application for departure (House Shop ONLY)	<ul style="list-style-type: none"> Fixed amount per application.
17.18 Application for removal of restricting.	<ul style="list-style-type: none"> Fixed amount per application.
17.19 Closure of Public Place	<ul style="list-style-type: none"> Fixed amount per application.
17.20 Consolidation of Land Units	<ul style="list-style-type: none"> Fixed amount per application.
17.21 Amendment/Cancellation of General Plan	<ul style="list-style-type: none"> Fixed amount per amendment/Cancellation.
17.22 Cost of advertisements and postage in regard to the advertising of applications for rezoning, sub-division, consent uses and departures i.r.o. (SPLUMA/LUPA/BY-LAW) – newspapers	<ul style="list-style-type: none"> Fixed amount per single application - newspapers.
17.23 Cost of advertisements and postage in regard to the advertising of applications for rezoning, sub-division, consent uses and departures i.r.o. (SPLUMA/LUPA/BY-LAW) – newspapers	<ul style="list-style-type: none"> Fixed amount per combination applications – cost per application type - newspapers
17.24 Cost of advertisements and postage in regard to the advertising of applications for rezoning, sub-division, consent uses and departures– Provincial Gazette	<ul style="list-style-type: none"> Fixed amount per application – Provincial Gazette
17.25 Postage	<ul style="list-style-type: none"> Price per unit (subject to quantity postage)
17.26 Issue of section 31 certificate (ord.	

FUNCTION	UNIT OF RETURN
15/85). 17.27 Issue of section 28 (BY-LAW) 17.28 Amendment, deletion or imposition of conditions – application fee will only be considered if the application requires a public participation process) 17.29 Amendment, deletion or imposition of conditions – application fee will only be considered if the application without a public participation process) 17.30 Approval of a Constitution 17.31 Approval of an architectural design manual 17.32 Amendment of a constitution or an architectural design. 17.33 Additional Fees for unauthorised land use – per day 17.34 Determination of a Zoning – Replace name. 17.35 CD for SDF. 17.36 CD for Zoning Scheme Regulations. 17.37 Application providing the reasons for the decision to the applicant taken by the Valuation Appeal Board – regarding the Property Rates Act (6 of 2004) section 53(2) 17.38 Amendment of SDF (if required)	<ul style="list-style-type: none"> Fixed amount per Erf Fixed amount per Erf Fixed amount per amendment, deletion or imposition if requires a public participation process Fixed amount per amendment, deletion or imposition without a public participation process Fixed amount per approval Fixed amount per approval Fixed amount per amendment or per design Fixed amount per day after the closing date of the Final Notice. Fixed amount per determination. Fixed amount per CD. Fixed amount per CD. Fixed amount per application. Fixed amount per amendment.
18. CARAVAN PARK AND CHALETS: TARIFFS 18.1 Camping sites for caravans and/or tents (out of season): <ul style="list-style-type: none"> limited to 4 persons per site. more than 4 persons per site. 18.2 Camping sites for caravans and/or tents (in season):	<ul style="list-style-type: none"> Fixed amount for 4 persons per night. Fixed amount for each additional person per night.

FUNCTION	UNIT OF RETURN
<ul style="list-style-type: none"> limited to 4 persons per site. more than 4 persons per site. 18.3 Chalets (out of season)- <ul style="list-style-type: none"> limited to 6 persons per chalet 18.4 Chalets (in season)- <ul style="list-style-type: none"> limited to 6 persons per chalet 18.5 Entrance fees for visitors <ul style="list-style-type: none"> entrance fees for motor vehicles plus entrance fees per person. 18.6 Camping site without any facilities for cyclists with one-person tents. 18.7 Storage place for caravans. 18.8 Fees washing machines. 18.9 Fees payable at reservation Chalets – December/January Easter week-end Other periods Camping sites – December/January Easter week-end 18.10 Cancellation of reservations of chalets/camping sites. 18.11 Rebate for pensioners and groups: Pensioners- Groups: 10 – 15 caravans 16 – 25 caravans 26 – 50 caravans More than 50 caravans 18.12 Crockery of Chalets 18.13 Bedding of Chalets	<ul style="list-style-type: none"> Fixed amount for 4 persons per night. Fixed amount for each additional person per night. Fixed amount for 6 persons per night. Fixed amount for 6 persons per night. Fixed amount per person and per vehicle Fixed amount per application per night. Fixed amount per storage place. Fixed amount per wash. 100% of amount payable for reserved period 100% of amount payable for reserved period 100% of amount payable for reserved period The amount payable for the reserved period less 10% forfeit fee. 40% for persons 60 years and older during “out of season” period. 10% rebate. 15% rebate. 20% rebate. 25% rebate. Fixed cost per item Fixed cost
19. AD HOC LETTING OF SITES AND SPORTS FACILITIES 19.1 Letting of circus sites.	<ul style="list-style-type: none"> Fixed amount per reservation per

FUNCTION	UNIT OF RETURN
19.2 Letting of open spaces for church services. 19.3 Letting of site for merry-go-round. 19.4 Letting of hawkers' sites. 19.5 Cancellation of sports grounds lease	<ul style="list-style-type: none"> day. Fixed amount per reservation per day or part of a day. Fixed amount per reservation per day. Fixed amount per site. Actual cost plus 15% of seasonal fees
20. TRAFFIC DEPARTMENT: TARIFFS FOR TRAFFIC SERVICES 20.1 Escorting of vehicles through town. 20.2 Rendering of services to bodies such as sporting clubs, funeral escorts, festivals and similar services, etc. 20.3 Closing of any Swartland Municipal road(s) for any private or tourism activities, excluded matric farewell	<ul style="list-style-type: none"> Fixed amount per hour per officer. Fixed amount per hour per officer per occasion. Fixed amount
21. HARBOUR AND FISH MARKET, YZERFONTEIN: TARIFFS 21.1 Use of harbour facilities - all boats. 21.2 Entrance fees for motor vehicles. 21.3 Entrance fees payable in regard to the use of the fish market facilities.	<ul style="list-style-type: none"> Fixed amount per service. Fixed amount per motor vehicle. Fixed amount per service.

9. Notification of tariffs, fees and service charges

- (1) The municipality must give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- (2) A notice stating the purport of the council resolution and the date on which the new tariffs shall become operational, must be displayed by the municipality at a place designated for that purpose.

SWARTLAND MUNISIPALITEIT VERORDENING INSAKE EIENDOMSBELASTING

Ingevolge die bepalinge van artikel 156 van die Grondwet van die Republiek van Suid-Afrika, 1996, bepaal Swartland Munisipaliteit soos volg–

Inhoudsopgawe

1. Woordomskrywings
2. Bevoegdheid om belasting te hef
3. Aanvaarding en implementering van beleid
4. Algemene beginsels
5. Gedifferensieerde belasting
6. Kennisgewing van belasting
7. Verhaling van belasting van huurders of okkupeerders
8. Verhaling van belasting van agente
9. Regstelling van foute en weglatings
10. Maatreëls vir toepassing
11. Appèl
12. Misdrywe en strawwe
13. Herroeping van verordeninge
14. Kort titel en inwerkingtrede

1. Woordomskrywings

In hierdie verordening geld die Engelse teks in die geval van enige teenstrydigheid met die Afrikaanse teks, en tensy die konteks anders aandui, beteken–

“**agent**” met betrekking tot die eienaar van eiendom, ’n persoon deur die eienaar van die eiendom aangewys om–

(a) huur of ander betalings ten opsigte van die eiendom namens die eienaar te ontvang; of

(b) om betalings ten opsigte van die eiendom namens die eienaar te maak;

“**belasting**” ’n munisipale belasting op eiendom soos beoog in artikel 229(1)(a) van die Grondwet en belastinge het ’n ooreenstemmende betekenis;

“**belasbare eiendom**” eiendom waarop ’n munisipaliteit ingevolge artikel 2 van die Wet belasting moet hef, met die uitsluiting van eiendom wat ten volle van die hef van belasting uitgesluit word ingevolge artikel 17 van die Wet;

“**beleid**” die munisipaliteit se Eiendomsbelasting Beleid soos vervat in die Bylae tot hierdie verordening, welke Bylae verwys;

“bewaringsgebied”–

- (a) ’n beskermde gebied soos gelys by artikel 10 van die Wet op Beskermde Gebiede, Nr 52 van 2003;
- (b) ’n natuurreservaat gestig ingevolge die Ordonnansie op Natuur- en Omgewingsbewaring, Nr 19 van 1974; of
- (c) enige grondgebied wat as oop ruimte sone II of III ingevolge die munisipaliteit se soneringskema-regulasies gesoneer is; met dien verstande dat sodanige beskermde gebiede, natuurreservate of grondgebiede, met uitsondering van toerisme-fasiliteite wat daarop opgerig mag wees, uitsluitlik gebruik word vir die bewaring van die fauna en flora en die produkte van sodanige grondgebiede nie vir kommersiële gewin verhandel word nie.

“**die Wet**” beteken die Wet op Plaaslike Regering: Munisipale Eiendomsbelasting, 2004 (Nr 6 van 2004) en enige wysiging daarvan;

“eienaar”–

- (a) ten opsigte van eiendom gemeld in paragraaf (a) van die omskrywing van “**eiendom**”, ’n persoon in wie se naam eienaarskap van die eiendom geregistreer is;
- (b) ten opsigte van ’n reg gemeld in paragraaf (b) van die omskrywing van “**eiendom**” ’n persoon in wie se naam die reg geregistreer is;
- (bA) met betrekking tot ’n tydsdeelbelang soos bedoel in die Wet op die Beheer van Eiendomsdele, 1983 (Wet 75 van 1983), die bestuursvereniging soos bedoel in die regulasies uitgevaardig ingevolge artikel 12 van gemelde wet soos gepubliseer per goewermentskennisgewing R327 van 24 Februarie 1984;
- (bB) met betrekking tot ’n aandeel in ’n aandeelblokkemaatskappy soos bedoel in die Wet op Beheer van Aandeelblokke, 1980 (Wet 59 van 1980), die aandeelblokkemaatskappy soos omskryf in gemelde wet.
- (bC) met betrekking tot geboue, ander onroerende strukture en infrastruktuur soos bedoel in artikel 17(1)(f) van die Wet, die houer van ’n mynboupermit;
- (c) ten opsigte van ’n grondbesitreg gemeld in paragraaf (c) van die omskrywing van “**eiendom**” ’n persoon in wie se naam die reg geregistreer is of aan wie dit ingevolge wetgewing toegestaan is; of
- (d) ten opsigte van openbare dienste infrastruktuur gemeld in paragraaf (d) van die definisie van “**eiendom**”, ’n staatsorgaan wat sodanige openbare dienste infrastruktuur besit of beheer, soos beoog by die definisie in die Wet van die term “openbare beheerde”, met dien verstande dat ’n persoon wat hieronder gemeld word vir die doeleindes van dié Wet in die volgende gevalle as die eienaar van ’n eiendom deur ’n munisipaliteit beskou sal word–

- (i) 'n trustee, in die geval van 'n eiendom in 'n trust, met uitsluiting van staatstrustgronde;
- (ii) 'n eksekuteur of administrateur in 'n bestorwe boedel;
- (iii) 'n trustee of likwidateur, in 'n insolvente boedel of in likwidasie;
- (iv) 'n geregtelike bestuurder, in die boedel van 'n persoon onder geregtelike bestuur;
- (v) 'n kurator in die boedel van 'n persoon wat onder kuratorskap verkeer;
- (vi) 'n vruggebruiker of ander persoon in wie se naam 'n vruggebruik of ander persoonlike serwituut geregistreer is, in die geval van 'n eiendom wat aan vruggebruik of 'n ander persoonlike serwituut onderworpe is;
- (vii) 'n koper, in die geval van 'n eiendom wat verkoop is en waarvan besit gegee is aan die koper hangende registrasie van eienaarskap in die naam van die koper;
- (viii) 'n huurder van eiendom waarop 'n grondbesitreg van toepassing is en wat aan die houer van sodanige reg verhuur word;

“eiendom”–

- (a) onroerende eiendom geregistreer in die naam van die persoon, met inbegrip van, in die geval van 'n deeltitelskema, 'n deeltiteleenheid wat in die naam van 'n persoon geregistreer is;
- (b) 'n reg geregistreer teen onroerende eiendom in die naam van 'n persoon, met uitsluiting van 'n eiendomsverband wat teen die eiendom geregistreer is;
- (c) 'n grondbesitsreg geregistreer in die naam van 'n persoon of wat ingevolge wetgewing aan 'n persoon verleen word; of
- (d) openbare dienste infrastruktuur;

“finansiële jaar” die tydperk wat op 1 Julie in 'n jaar 'n aanvang neem tot 30 Junie van die volgende jaar;

“grondbesitreg” 'n grondbesitreg soos omskryf in artikel 1 van die Wet op Opgradering van Grondbesitregte, 1991 (Wet 112 van 1991);

“hierdie verordening” ook die Eiendomsbelastingbeleid soos vervat in die Bylae; **“jaarliks”** eenkeer elke finansiële jaar;

“kategorie”–

- (a) ten opsigte van 'n eiendom, 'n eiendomskategorie bepaal ingevolge artikel 8(2) van die Wet;
- (b) ten opsigte van die eienaars van eiendom, 'n kategorie eienaars bepaal ingevolge Artikel 15(2) van die Wet;

“kleinhoewe” 'n gebied wat hoofsaaklik landelik of soortgelyk gesoneer is met die doel om kleiner landelike eiendomme te akkommodeer wat gebruik mag word vir landbou- en residensiële doeleindes deur persone wat 'n landelike leefstyl verkies;

“korting” 'n korting op die belastingbedrag wat op die eiendom betaalbaar is;

“landbou eiendom” met betrekking tot die gebruik van eiendom, eiendom wat primêr vir landboudoeleindes gebruik word, maar sonder om afbreuk te doen aan die bepalinge van artikel 9 van die Wet, word enige deel daarvan wat kommersieël gebruik word vir die akkommodasie van gaste uitgesluit asook die gebruik van die eiendom vir die doeleindes van ekotoerisme of die handel in of die jag van wild;

“markwaarde” ten opsigte van 'n eiendom, die waarde van die eiendom wat ooreenkomstig artikel 46 van die Wet bepaal word;

“meerdoelige doeleindes” ten opsigte van 'n eiendom, die gebruik van 'n eiendom vir meer as een doel soos bedoel in artikel 9 van die Wet;

“munisipale bestuurder” 'n persoon wat ingevolge artikel 54A van die Wet op Munisipale Stelsels, 2000, (Wet 32 van 2000) aangestel is;

“munisipale eiendom” eiendom wat geregistreer of gevestig is in die naam van die Munisipaliteit Swartland;

“munisipaliteit” die munisipaliteit van Swartland en sluit enige gedelegeerde amptenaar of diensverskaffer van die munisipaliteit in;

“mynbou eiendom” eiendom wat vir mynboudoeleindes gebruik word soos omskryf in die Wet op Petroleumprodukte en Ontwikkeling, 2002 (Wet 28 van 2002);

“okkupeerder” ten opsigte van 'n eiendom, 'n persoon wat in werklike okkupasie of beheer daarvan is, ongeag of sodanige persoon die reg het om die eiendom te okkupeer al dan nie;

“openbare diensinfrastruktuur” infrastruktuur wat van owerheidsweë beheer word vir die volgende doeleindes-

- (a) nasionale, provinsiale of ander openbare paaie waarop goedere, dienste of arbeid oor munisipale grense beweeg;
- (b) water- of rioolpype, kanale of ander geleikanele, damme, watervoorsieningsreservoirs, waterbehandelingsaanlegte of waterpompe wat deel vorm van 'n water- of riool skema wat die publiek bedien;
- (c) kragstasies, substasies of kraglyne wat deel vorm van 'n elektrisiteitskema wat die publiek bedien;
- (d) gas of vloeistof aanlegte of raffinaderye of pypleidings vir gas of vloeibare brandstof wat deel vorm van 'n skema wat sodanige brandstowwe vervoer;
- (e) spoorlyne wat deel vorm van 'n nasionale spoorwegsisteem;
- (f) kommunikasietorings, maste, sentrales of lyne wat deel vorm van 'n kommunikasiesistelsel wat die publiek bedien;
- (g) aanloopbane, blaie en die lugverkeerbeheereenheid by 'n nasionale of provinsiale lughawe, insluitend die vakante grond bekend as die obstruksievrye sone wat dit omring, wat vakant moet wees vir lugnavigasiedoeleindes;

- (h) breekwaters, seemure, kanale, hawekomme, kaaimure, hawehowe, paaie spoorweë of infrastruktuur wat gebruik word vir die voorsiening van water, ligte, krag, riool of soortgelyke dienste vir hawens of navigasietoerusting wat behels ligtorings, boeie, bakens of enige ander toerusting of stelsel wat gebruik word vir die veilige en doeltreffende navigasie van vaartuie;
- (i) enige ander infrastruktuur wat van owerheidsweë beheer word soos voorgeskryf mag word; of
- (j) 'n reg geregistreer teen onroerende eiendom ten opsigte van infrastruktuur in sub paragrafe (a) tot (i);

“openbare diensdoeleindes” met betrekking tot die gebruik van eiendom, eiendom wat deur 'n staatsorgaan besit en gebruik word vir-

- (a) hospitale of klinieke;
- (b) skole, voorskole, vroeë kinderjare ontwikkelingsentrums of verdere onderwys en opleidingskolleges;
- (c) nasionale en provinsiale biblioteke en argiewe;
- (d) polisiestasies;
- (e) korrektiewe fasiliteite;
- (f) howe;

maar uitgesluit eiendom bedoel in die definisie van “openbare diensinfrastruktuur”;

“plaaslike gemeenskap” ten opsigte van 'n munisipaliteit beteken-

- (a) daardie groep persone wat bestaan uit-
 - (i) die inwoners van die munisipaliteit;
 - (ii) die belastingbetalers van die munisipaliteit;
 - (iii) enige burgerlike organisasies en nie-regerings-, privaatsektor of arbeidsorganisasies of -liggame wat gemoeid is met plaaslike aangeleenthede binne die munisipaliteit; en
 - (iv) besoekers en ander mense wat buite die munisipaliteit woon wat op grond van hul teenwoordigheid in die munisipaliteit gebruik maak van die dienste of fasiliteite wat deur die munisipaliteit voorsien word; en
- (b) sluit meer spesifiek die armes en voorheen benadeeldes van sodanige groep persone in;

“raad” die munisipale raad van Swartland munisipaliteit;

“residensiële eiendom” eiendom wat ingevolge artikel 48(2)(b) van die Wet as residensiële ingesluit is in 'n waardasielys ten opsigte waarvan die primêre gebruik of toegelate gebruik vir residensiële doeleindes is sonder om afbreuk te doen aan artikel 9 van die Wet;

“toegelate gebruik” ten opsigte van 'n eiendom, die beperkte doeleindes waarvoor die eiendom gebruik mag word ingevolge-

- (a) enige beperkings opgelê deur-
 - (i) 'n titelvoorwaarde;
 - (ii) 'n bepaling van 'n dorpsbeplannings- of grondgebruikskema; of
 - (iii) enige wetgewing van toepassing op enige spesifieke eiendom of eiendomme; of

- (b) enige versagting van enige sodanige beperkings;

“uitsluiting” ten opsigte van 'n munisipaliteit se bevoegdheid om belasting te hef, 'n beperking van daardie mag soos bepaal in artikels 16 en 17 van die Wet;

“vrystelling” ten opsigte van die bepaling van belasting, 'n vrystelling wat ingevolge Artikel 15 van die Wet toegestaan word;

“vermindering” die verlaging van die bedrag waarvoor die eiendom gewaardeer is en die hef van 'n belasting op die eiendom op sodanige laer bedrag.

2. Bevoegdheid om belasting te hef

Die munisipaliteit hef belasting ingevolge-

- (a) artikel 229(1)(a) van die Grondwet;
- (b) die Wet; en
- (c) hierdie verordening.

3. Aanvaarding en implementering van beleid

Ingevolge die Wet moet die munisipaliteit 'n belastingbeleid aanvaar en implementeer vir die heffing van eiendomsbelasting in sy regsgebied.

4. Algemene beginsels

- (1) Belasting word gehef as 'n bedrag in die rand gebaseer op die markwaarde van alle belasbare eiendom in sy regsgebied.
- (2) Kriteria word bepaal vir die bepaling van kategorieë van eiendomme en eienaars asook vir die doeleindes van heffing van gedifferensieerde belasting op kategorieë eiendomme of eienaars.
- (3) Belasting mag verskil na gelang van die kategorie van belasbare eiendom.
- (4) Verligting ten opsigte van betaling van belasting sal nie aan enige kategorie eiendom of eienaar op individuele basis toegestaan word nie, behalwe by wyse van vrystelling, korting of vermindering.
- (5) Belastingbetalers met soortgelyke eiendomme moet gelykwaardig behandel word.
- (6) 'n Persoon se vermoë om belasting te betaal moet in ag geneem word.
- (7) Voorsiening moet gemaak word vir die bevordering van plaaslike ekonomiese ontwikkeling asook volhoubare plaaslike regering.
- (8) Belasting sal gebaseer word op die waarde van alle belasbare eiendom en die bedrag wat die munisipaliteit benodig om die operasionele begroting te balanseer.

5. Gedifferensieerde belasting

- (1) Onderhewig aan die Wet mag die munisipaliteit gedifferensieerde belasting hef ten opsigte van verskillende kategorieë eiendomme.
- (2) Die kriteria vir gedifferensieerde belasting soos deur die munisipaliteit bepaal ingevolge artikel 3(3)(b)(i) van die Wet moet in die belastingbeleid vervat word.

6. Kennisgewing van belasting

- (1) Die munisipaliteit moet 'n besluit om belasting te hef, jaarliks, binne 60 dae na die besluit, in die *Provinsiale Koerant* asook 'n koerant of koerante wat in die gebied van die munisipaliteit gesirkuleer word, publiseer.
- (2) Die besluit moet-
 - (a) die datum waarop die besluit geneem is bevat;
 - (b) onderskei tussen kategorieë van eiendomme; en
 - (c) die sent- in- die rand tarief vir elke kategorie eiendom aandui.

7. Verhaling van agterstallige belasting van huurder of okkupeerder

Onderhewig aan die bepalinge van artikel 28 van die Wet, mag die munisipaliteit agterstallige belasting in geheel of gedeeltelik verhaal van die huurder of okkupeerder van daardie eiendom.

8. Verhaling van agterstallige belasting van agent

Onderhewig aan die bepalinge van artikel 29 van die Wet mag die munisipaliteit agterstallige belasting op eiendom in geheel of gedeeltelik verhaal van die agent van die eienaar.

9. Regstelling van foute of weglatings

- (1) Waar belasting wat op 'n spesifieke eiendom gehef is, verkeerd bepaal is, hetsy as gevolg van 'n fout of weglating aan die kant van die munisipaliteit of valse inligting wat deur die betrokke eienaar verskaf is of 'n oortreding van die toegelate gebruik van die betrokke eiendom, sal die belasting wat verskuldig is aangepas word vir die tydperk vanaf die datum waarop die fout of weglating ontdek is terugwerkend tot die datum waarop eiendomsbelasting vir die eerste keer ooreenkomstig die huidige waardasierol gehef is.
- (2) Waar die fout voorgekom het as gevolg van valse inligting wat deur die eienaar van die eiendom verstrekte is of as gevolg van 'n oortreding van die toegelate gebruik van die betrokke eiendom, sal rente op die onbetaalde gedeelte van die aangepaste belasting wat verskuldig is, gehef word ingevolge die munisipaliteit se Kredietbeheer en Skuldinvorderingsverordening.

10. Meganismes vir toepassing

Indien 'n eienaar van eiendom versuim om sodanige eiendomsbelasting op die voorgeskrewe manier te betaal, moet die Direkteur: Finansiële Dienste die

verskuldigde belasting van sodanige eienaar verhaal ingevolge die munisipaliteit se Kredietbeheer en Skuldinvorderingsverordening.

11. Appèl

'n Persoon wie verontreg voel deur 'n besluit van die munisipaliteit ingevolge gedelegeerde magte, mag teen daardie besluit appelleer deur binne 21 dae van die datum van die in kennisstelling van die besluit aan die munisipale bestuurder skriftelik kennis te gee van die appèl en die redes daarvoor ingevolge artikel 62 van die Wet op Plaaslike Regering: Munisipale Stelsels, Wet 32 van 2000.

12. Misdrywe en strawwe

'n Persoon wat-

- (a) 'n vals aansoek indien of verklaring aflê wat die belasting op enige eiendom mag affekteer, hetsy vir homself of vir iemand anders;
- (b) weier of versuim om veranderinge aan 'n aansoek of verklaring soos beoog in par (a) aan die munisipaliteit te rapporteer; of
- (c) 'n beampte van die munisipaliteit belemmer om sy of haar pligte uit te voer of daarmee inmeng,

pleeg 'n misdryf en sal by skuldigbevinding onderhewig wees aan die oplegging van 'n boete of gevangenisstraf of tot beide sodanige boete en gevangenisstraf.

13. Herroeping van verordeninge

Die Eiendomsbelastingverordening gepromulgeer in *Provinsiale Koerant* 7825 op 11 Julie 2014 word hiermee herroep.

14. Kort titel en inwerkingtrede

Hierdie verordening staan bekend as die Swartland Munisipaliteit se Verordening insake Eiendomsbelasting en tree in werking op **1 Julie 2015**.

BYLAE
MUNISIPALITEIT SWARTLAND
EIENDOMSBELASTING BELEID

Ingevolge artikel 3 van die Wet op Plaaslike Regering: Munisipale Eiendomsbelasting, 2004 (Wet 6 van 2004), aanvaar die Munisipaliteit van Swartland die volgende Eiendomsbelasting Beleid–

Inhoudsopgawe

1. Doel van die beleid
2. Beleidsbeginsels
3. Die hef van belasting
4. Kategorieë van eiendomme
5. Kategorieë van eienaars
6. Differensiële belasting
7. Vrystellings
8. Kortings
9. Aansoeke om vrystelling of korting
10. Verminderings
11. Belastingaanpassings
12. Meerdoelige gebruik van eiendomme
13. Koste van vrystellings, kortings, verminderings, infasering van belasting
14. Betalingsreëlings
15. Gebruiksaanwending van eiendom

1. Doel van die beleid

Die doel van die beleid is:

- (a) om te voldoen aan die bepalinge van artikel 3 van die Wet;
- (b) om kriteria te bepaal wat toegepas moet word vir–
 - (i) die hef van verskillende koerse vir verskillende kategorieë van eiendomme;
 - (ii) vrystellings;
 - (iii) verminderings en kortings; en
 - (iv) belastingverhogings of verlagings;
- (c) om kriteria vir die vasstelling van die volgende te bepaal of te voorsien–
 - (i) kategorieë van eiendomme vir die doel van die hef van verskillende belastinge; en

- (ii) kategorieë van eienaars van eiendomme of kategorieë van eiendomme vir die doel van die toestaan van vrystellings, kortings en verminderings;
- (d) om te bepaal hoe die munisipaliteit se magte ten opsigte van meerdoelige eiendomme uitgeoefen moet word;
- (e) om die volgende vir die munisipaliteit te identifiseer en te kwantifiseer in terme van koste en die voordeel vir die gemeenskap–
 - (i) vrystellings, kortings en verminderings;
 - (ii) uitsluitings; en
 - (iii) belastinge op eiendomme wat ingefaseer moet word;
- (f) om die uitwerking van belasting op die armes in aanmerking te neem;
- (g) om die uitwerking van belasting op organisasies wat bepaalde openbare weldaadsaktiwiteite verrig en geregistreer is ingevolge die Inkomstebelastingwet vir belasting vrystellings as gevolg van die aktiwiteite, in die geval van eiendom wat deur sodanige organisasies vir sodanige aktiwiteite besit en gebruik word, in aanmerking te neem;
- (h) om die uitwerking van belasting op die openbare dienste infrastruktuur in aanmerking te neem;
- (i) om die munisipaliteit in staat te stel om plaaslike ekonomiese en maatskaplike ontwikkeling bevorder;
- (j) om alle belasbare eiendom te identifiseer;
- (k) om, wanneer kriteria oorweeg word vir vrystellings, kortings en verminderings op eiendomme wat vir landboudoeleindes gebruik word, die volgende in aanmerking te neem–
 - (i) die omvang van dienste wat deur die munisipaliteit gelewer word ten opsigte van sodanige eiendomme;
 - (ii) die bydrae van landbou tot die plaaslike ekonomie;
 - (iii) die mate waartoe landbou bydra tot die verwesenliking van die diensleweringe- en ontwikkelings verpligtinge van die munisipaliteit; en
 - (iv) die bydrae van landbou tot die sosiale en ekonomiese ontwikkeling van plaaswerkers;
- (l) om te verseker dat vrystellings, kortings en verminderings waarvoor in hierdie beleid voorsiening gemaak word voldoen aan en geïmplementeer word volgens 'n nasionale raamwerk wat voorgeskryf kan word na raadpleging van georganiseerde plaaslike bestuur; en
- (m) om te verseker dat die munisipaliteit nie 'n verligting toestaan ten opsigte van die betaling van belasting–
 - (i) aan 'n kategorie van eienaars van eiendomme, of aan die eienaars van 'n kategorie van eiendomme, anders as by wyse van 'n vrystelling, korting of vermindering waarvoor in hierdie beleid

voorsiening gemaak word en toegestaan word ingevolge artikel 15 van die Wet nie; of

- (ii) aan die eienaars van eiendomme op 'n individuele basis nie.

2. Beleidsbeginsels

- (1) Die heffing van belasting op 'n eiendom is 'n uitsluitlike reg van die munisipaliteit wat optimaal en omvattend binne die munisipaliteit en met oorweging van die totale inkomstebron van die munisipaliteit aangewend sal word.
- (2) Die belasting van eiendomme sal onafhanklik, regverdig, billik en sonder voorkeur gedoen word en dié beginsels sal ook toegepas word by die bepaling van kriteria vir vrystellings, verminderings en kortings soos bepaal in artikel 15 van die Wet.
- (3) Die hef van eiendomsbelasting moet op so 'n wyse toegepas word dat–
 - (a) dit ontwikkelingsgerig is;
 - (b) volhoubare plaaslike regering daardeur bevorder word deurdat 'n stabiele en konstante bron van inkomste tot die diskresionêre beheer van die munisipaliteit gestel word; en
 - (c) ekonomiese en maatskaplike plaaslike ontwikkeling daardeur bevorder word.
- (4) Eiendomsbelasting sal gehef word om ongelykhede van die verlede reg te stel en die effek van belasting op behoeftiges te minimaliseer.
- (5) Belasting sal gehef word in verhouding tot die markwaarde van die eiendom.
- (6) Die belastingtarief sal gebaseer word op die waarde van alle belasbare eiendomme en die bedrag wat die munisipaliteit nodig het om die bedryfsbegroting te balanseer, met inagneming van die surplus wat uit die handels- en ekonomiese dienste verkry is en die bedrae wat vereis word om vrystellings, kortings, verminderings en infasering van belasting, soos deur die raad goedgekeur, te finansier.
- (7) Handels- en ekonomiese dienste sal afgebaken word en tariewe en dienskoste sal op so 'n wyse bereken word dat die inkomste wat gegenereer word, die koste van die dienste dek of 'n surplus genereer.
- (8) Eiendomsbelasting sal gebruik word om gemeenskapsdienste te finansier.
- (9) Winste uit handels- en ekonomiese dienste mag gebruik word om gemeenskapsdienste te subsidieer.
- (10) Die voorsiening van bedryfskapitaal en slegte skulde moet verband hou met gemeenskapsdienste en mag nie voorsienings in verband met handels- en ekonomiese dienste insluit nie.
- (11) Die inkomstebasis van die munisipaliteit moet beskerm word deur vrystellings, kortings en verminderings te beperk.

3. Die hef van belasting

- (1) Onderworpe aan die bepaling van subparagraaf (2) moet die munisipaliteit belasting op alle belasbare eiendom in sy regsgebied hef teen 'n koers wat ooreenkomstig die bepaling van artikel 14 van die Wet vasgestel word.
- (2) Geen belasting mag gehef word nie–
 - (a) soos bepaal in artikel 17 van die Wet;
 - (b) op die munisipaliteit se eiendom;
 - (c) op openbare dienste infrastruktuur wat die eiendom is van 'n munisipale entiteit;
 - (d) op eiendomme vermeld in artikel 7(2)(a)(iii) en (iv) van die Wet; en
 - (e) op eiendomme wat kragtens paragraaf 7 hiervan vrygestel is.

4. Kategorieë van eiendomme

Eiendomme mag soos volg gekategoriseer word ooreenkomstig die gebruik daarvan, die toegelate gebruik daarvan of 'n kombinasie van die twee–

- (a) residensiële eiendomme;
- (b) vakante residensiële eiendom;
- (c) industriële eiendomme;
- (d) sake-eiendomme;
- (e) eiendomme in landelike gebied wat gesoneer is vir besigheidsdoeleindes of eiendom ten opsigte waarvan vergunningsgebruik ingevolge die munisipaliteit se soneringskema regulasies goedgekeur is;
- (f) landbou-eiendomme soos–
 - (i) plaaseiendom en kleinhoewes wat gebruik word vir bona fide-boerdery en residensiële doeleindes; en
 - (ii) plaaseiendom geregistreer in die naam van 'n landbouvereniging wat by die SA Landbou-Unie geaffilieer is.
- (g) staatseiendom, uitgesluit staatseiendom vermeld in subparagraaf (l) hieronder;
- (h) munisipale eiendom wat in die Swartland munisipaliteit se naam geregistreer is of by die munisipaliteit berus;
- (i) openbare diensinfrastruktuur eiendomme;
- (j) informele nedersettings, insluitend die wat voorkom op grond wat nie in residensiële erwe onderverdeel is nie;
- (k) eiendom–
 - (i) verkry deur die Wet op Voorsiening van Grond en Bystand, 1993 (Wet Nr 126 van 1993) of die Wet op die Herstel van Grondregte, 1994 (Wet Nr 22 van 1994); of
 - (ii) wat onderworpe is aan die Wet op Gemeenskaplike Eiendomsassosiasie, 1996 (Wet Nr 28 van 1996);
- (l) bewaringsgebiede;
- (m) eiendomme waarop nasionale monumente gepronksameer is;

- (n) eiendomme wat deur die volgende openbare weldaadsorganisasies besit word en vir die ooreenstemmende openbare weldaadsaktiwiteite soos vermeld in Deel 1 van die Negende Skedule tot die Inkomstebelastingwet Nr 58 van 1962 gebruik word–
 - (i) welsyn en humanitêre organisasies;
 - (ii) kulturele organisasies;
 - (iii) sportorganisasies;
 - (iv) bewarings-, omgewings- en dierebeskermingsorganisasies;
 - (v) gesondheidsorganisasies; en
 - (vi) onderwys en ontwikkeling.
- (o) eiendomme wat vir meerdoelige doeleindes gebruik word ooreenkomstig die munisipaliteit se soneringskemaregulasies; en
- (p) eiendomme geleë in geografiese gebiede soos deur die munisipaliteit bepaal vir die doeleindes van differensiële belasting.

5. Kategorieë van eienaars

Vir die doeleindes van die beleid sal die volgende kategorieë van eienaars in terme van artikel 15(2) van die Wet erken word–

- (a) eienaars wat vir deernishulp kwalifiseer ooreenkomstig die Kredietbeheer en Skuldinvoerbodebeleid van die munisipaliteit;
- (b) eienaars van eiendomme wat binne 'n gebied geleë is wat geaffekteer is deur–
 - (i) 'n ramp soos omskrywe in die Rampbestuurswet, 2002 (Nr 57 van 2002); of
 - (ii) enige ander ernstige sosiale en ekonomiese omstandighede;
- (c) eienaars van residensiële eiendomme waarvan die markwaarde laer is as 'n bedrag wat deur die munisipaliteit vasgestel is; en
- (d) eienaars van residensiële eiendomme wie 65 jaar en ouer is.

6. Differensiële belasting

(1) In terme van artikel 8 van die Wet mag die munisipaliteit differensiële belasting hef op verskillende kategorieë belasbare eiendom.

(2) 'n Belastingkoers gelykstaande aan 25%, of enige ander laer koers waarop die munisipaliteit mag besluit, van die koers betaalbaar ten opsigte van residensiële eiendomme, mag gehef word op–

- (a) landbou-eiendomme; en
- (b) daardie gedeelte van 'n eiendom in die kategorie “**meerdoelige doeleindes**” wat in terme van artikel 15(2) van die Wet vir landboudeleindes toegewys is.

(3) Die differensiële tariewe wat tans van toepassing is op geografiese gebiede soos bedoel in paragraaf 4(p) sal egter uitgefasseer word oor 'n maksimum tydperk van 7 jaar vanaf 1 Julie 2015.

Comment [DN1]: Vorige subpar. (b) uitgehaal wat verwys het na ouderdom 65 en staatspensioen

7. Vrystellings

(1) Om die belastinglas en koste van diensheffings te verminder, word alle munisipale eiendomme vrygestel van eiendomsbelasting insluitende munisipale eiendom wat verhuur word.

(2) Die volgende eiendomme sal ook vrygestel word van eiendomsbelasting–

- (a) eiendom toegeken aan die kategorie soos bepaal in paragraaf 4(m), mits–
 - (i) die organisasie wat sodanige eiendom besit, vir belastingvrystelling geregistreer is in terme van die Wet op Inkomstebelasting;
 - (ii) 'n geldige sertifikaat, uitgereik deur die SA Inkomstediens, bevestig dat sodanige registrasie toegestaan is; en
 - (iii) 'n aansoek om belastingvrystelling vir die volgende finansiële jaar jaarliks voor of op 30 September ingedien is.
- (b) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (welsyn en humanitêr) wat vir die volgende openbare weldaadsaktiwiteite aangewend word–
 - (i) die sorg vir of berading van, of die voorsiening van opvoedingsprogramme met betrekking tot verlate, mishandelde, verwaarloosde, wees- of hawelose kinders;
 - (ii) die sorg vir of berading van arm en behoeftige persone waar minstens 90% van die persone aan wie die sorg of berading voorsien word, bo die ouderdom van 60 jaar is;
 - (iii) die sorg vir of berading van, of die voorsiening van opvoedingsprogramme met betrekking tot fisies of emosioneel mishandelde en getraumatiseerde persone;
 - (iv) die voorsiening van rampverligting;
 - (v) die redding van of sorg aan persone in nood;
 - (vi) die voorsiening van armoedeverligting;
 - (vii) rehabilitatiewe sorg of berading of onderrig van gevangenes, voormalige gevangenes en veroordeelde misdadigers en verhoorafwagende persone;
 - (viii) die rehabilitasie, sorg vir of berading van persone verslaaf aan 'n gewoontevormende middel of die voorsiening van voorkomende en opvoedingsprogramme met betrekking tot verslawing aan gewoontevormende middels;
 - (ix) konflikbeslegting, die bevordering van versoening, wedersydse respek en verdraagsaamheid tussen die verskillende volke van Suid-Afrika;
 - (x) die bevordering van of voorspraak vir menseregte en demokrasie;
 - (xi) die beskerming van die veiligheid van die algemene publiek;

- (xii) die bevordering of beskerming van gesinstabiliteit;
- (xiii) die voorsiening van regshulp aan arm en behoeftige persone;
- (xiv) die voorsiening van fasiliteite vir die beskerming van en sorg vir kinders onder skoolgaande ouderdom van arm en behoeftige ouers;
- (xv) die bevordering of beskerming van die regte en belange van, en die sorg aan asielsoekers en vlugteling;
- (xvi) gemeenskapsontwikkeling vir arm en behoeftige persone en teen-armoede inisiatiewe, waarby ingesluit is–
 - (aa) die bevordering van gemeenskapsgebaseerde projekte met betrekking tot selfhelp, bemagtiging, uitbreiding van vermoëns, vaardigheidsontwikkeling of teen-armoede;
 - (bb) die voorsiening van opleiding, ondersteuning of bystand aan gemeenskapsgebaseerde projekte soos in paragraaf (aa) gemeld; of
 - (cc) die voorsiening van opleiding, ondersteuning of bystand aan opkomende mikro-ondernemings om kapasiteit te verbeter ten einde besighede tot stand te bring en te bestuur, wat kan insluit die voorsiening van lenings op die voorwaardes wat die minister by wyse van regulasie voorskryf; en
 - (dd) die bevordering van toegang tot media en 'n vrye pers.
- (c) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (kultureel) wat vir die volgende openbare weldaadsaktiwiteite gebruik word–
 - (i) die bevordering, aanmoediging of bewaring van die kuns, kultuur of gewoontes;
 - (ii) die bevordering, vestiging, beskerming, bewaring of instandhouding van gebiede, versamelings of geboue van historiese of kulturele belang, nasionale monumente, nasionale erfenisterreine, museums, insluitend kunsgalerye, argiewe en biblioteke; en
 - (iii) die voorsiening van jeugleierskap- en ontwikkelings-programme.
- (d) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (sport) wat gebruik word vir die administrasie, ontwikkeling, koördinasie of bevordering van sport of rekreasie waaraan die deelnemers op 'n nie-professionele basis as 'n tydverdryf deelneem.
- (e) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (bewing, omgewings- en dierebeskerming) wat vir die volgende openbare weldaadsaktiwiteite gebruik word–
 - (i) deelname aan die bewaring, rehabilitasie of beskerming van die natuurlike omgewing, insluitend flora, fauna en die biosfeer;

- (ii) die versorging van diere, insluitend die rehabilitasie of voorkoming van die mishandeling van diere; en
- (iii) die bevordering van, en opvoedings- en opleidingsprogramme met betrekking tot, omgewingsbewustheid, vergroening, skoonmaak of volhoubare ontwikkelingsprojekte.
- (f) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (gesondheidsorg) wat vir die volgende openbare weldaadsaktiwiteite gebruik word–
 - (i) die voorsiening van gesondheidsorgdienste aan arm en behoeftige persone;
 - (ii) die sorg vir of berading aan persone wat terminaal siek is of persone met 'n ernstige fisiese of geestelike aantasting, insluitend die berading van hulle gesinne in die verband;
 - (iii) die voorkoming van MIV-infeksie of die voorsiening van voorkomende en opleidingsprogramme met betrekking tot MIV/VIGS;
 - (iv) die sorg, berading of behandeling van persone aangetas deur MIV/VIGS, insluitend die sorg of berading vir hulle gesinne en afhanklikes in die verband;
 - (v) die voorsiening van bloedoortappings-, orgaanskenkings- of soortgelyke dienste;
 - (vi) die voorsiening van primêre gesondheidsorgopvoeding, geslagsvoorligting of gesinsbeplanning.
- (g) eiendom geregistreer in die naam van 'n landbouvereniging wat by die Suid-Afrikaanse Landbou-Unie geaffilieer of deur die Unie erken word en wat vir die doeleindes van sodanige vereniging gebruik word, sal vrygestel word van belasting, mits die eienaar daarvan jaarliks op of voor 30 September aansoek om vrystelling doen vir die daaropvolgende finansiële jaar.
- (h) eiendomme wat aan die volgende kategorieë behoort–
 - (i) “informele nedersettings” ingevolge paragraaf 4(j);
 - (ii) “bewaringsgebiede” ingevolge paragraaf 4(k), of daardie gedeelte van 'n eiendom wat in terme van artikel 9 van die Wet as bewaringsgebied toegewys is in die kategorie “meerdere doeleindes” ingevolge paragraaf 4(o);
 - (iii) “openbare dienste infrastruktuur” ingevolge paragraaf 4(j); en
 - (iv) residensiële eiendom met 'n markwaarde van **R 95 000** of minder, wat aan die kategorie behoort soos bepaal in paragraaf 5(1)(d). (Die R15 000 vrystelling soos bepaal in artikel 17(1)(h) van die Wet sal beskou word as uitgesluit van die bedrag van **R 95 000**.)

8. Kortings

- (1) Die munisipaliteit kan kortings toestaan aan nywerheidsondernemings wat plaaslike, maatskaplike of ekonomiese ontwikkeling binne die munisipale jurisdiksiegebied bevorder.
- (2) Die volgende kriteria sal in aanmerking geneem word–
 - (a) werkskepping in die munisipale gebied;
 - (b) maatskaplike opheffing van die plaaslike gemeenskap; en
 - (c) daarstel van infrastruktuur tot voordeel van die gemeenskap.
- (3) Vir kortingsdoeleindes sal nywerheidsondernemings geag word 'n onderneming te wees wanneer dit ingevolge die munisipaliteit se soneringskema wettiglik op 'n perseel wat vir nywerheidsdoeleindes gesoneer is, bedryf word en wat minstens 25 of meer voltydse werknemers by sodanige perseel in diens het.
- (4) Kortings moet binne vyf jaar vanaf die datum waarop die korting vir die eerste keer toegestaan is, uitgefaseer word.
- (5) Kortings sal op aansoek toegeken word onderhewig aan–
 - (a) die indien van 'n besigheidsplan waarin daar aangedui word hoe die plaaslike, sosiale en ekonomiese doelwitte van die munisipaliteit bereik gaan word;
 - (b) die indien van 'n voortsettingsplan, gesertifiseer deur die maatskappy se ouditeure waarin aangedui word dat die doelwitte binne die eerste jaar na totstandkoming bereik is en hoe dit voortgesit gaan word;
 - (c) 'n assessering en bevestiging deur die munisipale bestuurder dat die maatskappy kwalifiseer.
- (6) Kortings kan toegestaan word op die volgende eiendomme–
 - (a) eiendom toegeken aan die kategorie soos bepaal in paragraaf 4(m), mits–
 - (i) die organisasie wat sodanige eiendom besit, vir belastingvrystelling geregistreer is volgens die Wet op Inkomstebelasting;
 - (ii) 'n geldige sertifikaat uitgereik deur die SA Inkomstediens bevestig dat sodanige registrasie toegestaan is; en
 - (iii) 'n aansoek om belastingvrystelling vir die daaropvolgende jaar jaarliks voor of op 30 September ingedien word.
 - (b) eiendom geregistreer in die naam van 'n openbare weldaadsorganisasie (onderwys en ontwikkeling) wat vir die volgende openbare weldaadsaktiwiteite gebruik word–
 - (i) die voorsiening van onderwys deur 'n skool soos in die Suid-Afrikaanse Skolewet, 1996 (Wet Nr 84 van 1996), omskryf;
 - (ii) die voorsiening van hoër onderwys deur 'n inrigting vir hoër onderwys soos in die Wet op Hoër Onderwys, 1997 (Wet Nr 101 van 1997), omskryf;
 - (iii) basiese onderwys en opleiding vir volwassenes soos in die Wet op Basiese Onderwys en Opleiding vir Volwassenes, 2000 (Wet Nr 52

- van 2000), omskryf, wat geletterdheids- en gesyferdheidsopleiding insluit;
- (iv) verdere onderwys en opleiding deur 'n openbare inrigting vir verdere onderwys en opleiding voorsien soos in die Wet op Verdere Onderwys en Opleiding, 1998 (Wet Nr 98 van 1998), omskryf;
- (v) opleiding vir werklose persone met die doel om hulle in staat te stel om werk te kry;
- (vi) die opleiding van of onderwys aan persone met 'n ernstige fisiese of geestelike aantasting;
- (vii) die voorsiening van oorbruggingskursusse om onderrigbenadeelde persone in staat te stel om toegang tot inrigtings vir hoër onderwys soos in subparagraaf (ii) beoog, te verkry;
- (viii) die voorsiening van onderrig en versorging of vroeë kindontwikkelingsdienste vir voorskoolse kinders;
- (ix) opleiding van persone in die nasionale, provinsiale en plaaslike regeringsfere, vir doeleindes van kapasiteitsbou in daardie regeringsfere;
- (x) die voorsiening van skoolgeboue of toerusting vir openbare skole en opvoedkundige inrigtings betrokke by openbare weldaadsaktiwiteite in subparagrafe (i) tot (viii) bedoel;
- (xi) beroepsvoorligting en beradingsdienste voorsien aan persone vir doeleindes van die bywoon van skole of inrigtings vir hoër onderwys in subparagrafe (i) en (ii) beoog;
- (xii) die voorsiening van koshuisverblyf aan studente van 'n openbare weldaadsorganisasie, instituut, raad of liggaam;
- (xiii) programme wat die behoeftes in onderrigvoorsiening, onderrig, leer, opleiding, kurrikulumondersteuning, beheer, heelskoolontwikkeling, veiligheid en sekuriteit by skole, voorskoolse of opvoedkundige instansies soos beoog in subparagrafe (i) tot (viii) aanspreek;
- (xiv) opvoedingsverryking, akademiese ondersteuning, bykomende onderrig of uitreikingsprogramme vir die armes en behoeftiges.
- (c) eiendomme toegedeel tot die kategorieë volgens die bepaling van paragrafe 4(f) en 4(l);
- (d) eiendom wat gebruik word vir openbare diensdoeleindes;
- (e) wooneenhede gekategoriseer in paragraaf 5(1)(b) en onderhewig aan ooreenstemming met die volgende vereistes–
 - (i) aansoek om korting moet jaarliks voor 30 September ingedien word;
 - (ii) applikant moet die geregistreerde eienaar van die eiendom wees;
 - (iii) die eienaar moet die eiendom bewoon; en

- (iv) in die geval van 'n skakelhuis waarvan 'n gedeelte uitverhuur word, sal die korting slegs van toepassing wees op die gedeelte wat deur die eienaar bewoon word.
- (f) eiendomme ingedeel soos beoog in paragraaf 5(1)(a) waarvan die eienaars kwalifiseer vir deernishulp ooreenkomstig die kredietbeheer en skuldinvorderingsbeleid van die munisipaliteit, tot 'n bedrag gelykstaande aan die belasting betaalbaar op die eerste R 95 000 van die waardasie van sodanige eiendom, onderworpe aan die voorwaardes soos in daardie beleid vervat. (Die uitwerking hiervan sal wees dat so 'n eienaar steeds aanspreeklik sal wees vir betaling van eiendomsbelasting ten opsigte van die waardasie van die betrokke eiendom wat meer as R 95 000 is. Die R15 000 vrystelling soos bedoel in artikel 17(1)(h) van die Wet sal uitgesluit word van die R 95 000.)
- (g) residensiële eiendom, ingedeel in die kategorie soos beoog in paragraaf 5(1)(e), tot 'n bedrag gelykstaande aan die belastings betaalbaar op die eerste R 300 000 van die waardasie van sodanige eiendom, met dien verstande dat die eienaar—
- (i) ouer as 64 jaar moet wees en vir sodanige korting sal kwalifiseer met ingang vanaf die finansiële jaar waarin sodanige eienaar die ouderdom van 65 jaar bereik met dien verstande dat aansoeke jaarliks voor 30 September by die munisipaliteit ingedien moet word;
 - (ii) die geregistreerde eienaar van die betrokke residensiële eiendom moet wees en **die eiendom permanent moet bewoon**; en
 - (iii) sal kwalifiseer slegs vir die mees voordelige van enige kortings waarvoor hy of sy ingevolge hierdie beleid mag kwalifiseer. (Die R15 000 vrystelling soos bedoel in artikel 17(1)(h) van die Wet sal uitgesluit word van die R 300 000.)
- (7) Aansoek om korting moet deur die volgende vergesel word—
- (a) 'n gesertifiseerde afskrif van die identiteitsdokument van die eienaar of enige ander bewys van die eienaar se ouderdom, met dien verstande dat geen ouderdomsbepanking van toepassing sal wees indien die eienaar 'n gestremde persoon is wat 'n ongeskiktheidstoelaag ontvang nie; en
 - (b) bewys van 'n ongeskiktheidstoelaag waar van toepassing.

Comment [DN2]: Ou sub par. (iii) en (iv) uitgehaal waar verwys na staatspensioen op ouderdom 60 en 65 jaar

9. Aansoek om vrystelling of korting

- (1) Aansoek om vrystelling moet op die voorgeskrewe vorm gedoen word wat beskikbaar is by die hoof finansiële beampte.
- (2) Die volgende besonderhede moet op die voorgeskrewe vorm verstrek word—
 - (a) persoonlike besonderhede van aansoeker;
 - (b) posadres van aansoeker;
 - (c) erfnummer van die eiendom waarvoor aansoek gedoen word, soos aangedui in die munisipaliteit se waardasierekords;
 - (d) 'n beskrywing van die doel waarvoor die betrokke eiendom gebruik word; en
 - (e) enige ander besonderhede wat die munisipaliteit mag benodig.
- (3) Alle aansoeke om vrystelling of korting op belasting moet deur die hoof finansiële beampte of sy gedelegeerde oorweeg word.
- (4) Die hoof finansiële beampte of sy gedelegeerde mag die goedkeuring van 'n aansoek om vrystelling of korting op belasting weier indien—
 - (a) die besonderhede wat op die aansoekvorm verstrek is, onvolledig, foutief of vals is; en
 - (b) die aansoekvorm nie betyds voor die sperdatum wat vir aansoeke bepaal word, ontvang is nie.

10. Verminderings

- (1) Vermindering in die munisipale waardasie soos bedoel in artikel 15(1)(b) van die Wet sal toegestaan word waar die waarde van die eiendom wesenlik verminder word weens brandskade, slooping of vloedskade.
- (2) Die vermindering sal onderworpe wees aan 'n sertifikaat wat deur die munisipale waardeerder vir die doel uitgereik is.

11. Belastingaanpassings

- (1) Die munisipaliteit mag belastings jaarliks tydens die begrotingsproses aanpas.
- (2) Belastingaanpassings moet gebruik word om die bedryfskoste van gemeenskapsdienste te finansier.
- (3) Die volgende jaarlikse aanpassings sal ten opsigte van gemeenskapsdienste gemaak word—
 - (a) alle salaris- en loonaanpassings soos ooreengekom deur die Suid Afrikaanse Plaaslike Regerings Bedingsraad;
 - (b) 'n inflasie-aanpassing vir algemene uitgawes, herstelwerk en onderhoud, en bydraes tot statutêre fondse; en
 - (c) addisionele depresiasiekostes of rente en delgingstekorte wat geassosieer word met die bates wat gedurende die vorige finansiële jaar geskep is.

- (4) Buitengewone uitgawes wat nie gedurende die vorige begrotingstydperk voorsien is nie en wat gedurende 'n begrotingshershieningsproses deur die raad goedgekeur is, sal deur die aangepaste eiendomsbelasting gefinansier word.
- (5) Alle aanpassings in eiendomsbelasting sal ingevolge die raad se beleid insake gemeenskapsdeelname aan die plaaslike gemeenskap bekend gemaak word.

12. Meerdoelige gebruik van eiendomme

Belasting op eiendomme wat in die kategorie “meerdoelige doeleindes” ingedeel is, sal bereken word teen die koers soos beoog word deur artikel 9(2) van die Wet.

13. Koste van vrystellings, kortings, verminderings, infasering van belasting

- (1) Die hoof finansiële beampte moet die raad gedurende die begrotingsproses in kennis stel van al die koste geassosieer met die voorgestelde vrystellings, kortings, verminderings, infasering van belasting en toelaes in die plek van belasting.
- (2) Voorsiening moet in die bedryfsbegroting gemaak word vir:
- (a) die volledige potensiele inkomste geassosieer met eiendomsbelasting; en
 - (b) die volle koste geassosieer met kwytskeldings, kortings, verminderings, infasering van belasting en toelaes in die plek van belasting.

14. Betalingsreëlings

Die volgende sake sal ingevolge die munisipaliteit se kredietbeheer- en skuldinvorderingsbeleid hanteer word–

- (a) die datum waarop belasting verskuldig word;
- (b) die laaste datum waarop belasting wat maandeliks sowel as jaarliks betaalbaar is, betaal moet word;
- (c) rente op agterstallige belastings; en
- (d) optrede teen wanbetalers.

15. Gebruiksaanwending van eiendom

Waar dit nodig mag wees om te bepaal vir welke doel 'n eiendom gebruik word, sal die toegelate gebruik van sodanige eiendom, soos bepaal deur artikel 8(1)(b) van die Wet, bepalend wees.

09.03.2016

Wysigings aangebring:

Paragraaf 14. Bladsy 8 – 01 Julie 2015

Paragraaf 6. Bladsy 13 – 25%

Paragraaf 7(h) (iv) Bladsy 16 – R 95 000

Paragraaf 8 (f) – R 95 000

Paragraaf 8 (g) 5(1)(e) – R 300 000

Paragraaf 8 (g) (iii) – R 300 000

05.05.2016

Wysiging aangebring:

Paragraaf 8 (6) (g) (ii) moet eiendom permanent bewoon

SWARTLAND MUNICIPALITY PROPERTY RATES BY-LAW

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996, the Swartland Municipality enacts as follows–

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1. Definitions

In this by-law, the English text prevails in the event of any conflict with the Afrikaans text, and, unless the context otherwise indicates–

“**agent**” in relation to the owner of a property, means a person appointed by the owner of the property–

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

“**agricultural property**” in relation to the use of a property, means property that is primarily used for agricultural purposes, but without derogating from section 9 of the Act, excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purposes of ecotourism or for the trading in or hunting of game;

“**annually**” means once every financial year;

“**category**”–

- (a) means a category of property determined in terms of section 8(2) of the Act;

- (b) in relation to owners of property, means a category of owners determined in terms of section 15(2) of the Act;

“**conservation area**” means–

- (a) a protected area listed in terms of section 10 of the Protected Areas Act, No 57 of 2003;
- (b) a nature reserve established in terms of the Nature and Environmental Conservation Ordinance, No 19 of 1974; or
- (c) any land which is zoned as open space zone II or III in terms of the municipality’s zoning scheme regulations, provided that such protected areas, nature reserves or land, with the exception of tourism facilities that may have been erected thereon, are exclusively utilised for the preservation of fauna and flora and the products of such land are not being traded for commercial gain;

“**council**” means the municipal council of Swartland municipality;

“**exclusion**” in relation to a municipality’s rating power, means a restriction of that power as provided for in sections 16 and 17 of the Act;

“**exemption**” in relation to the payment of a rate, means an exemption granted in terms of section 15(1) of the Act;

“**financial year**” means the period starting from 1 July in a year to 30 June of the next year;

“**land tenure right**” means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991);

“**local community**” means–

- (a) that body of persons comprising–
 - (i) the residents of the municipality;
 - (ii) the ratepayers of the municipality;
 - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) includes the poor and other disadvantaged sections of such body of persons;

“**market value**” means the value of the property determined in accordance with section 46 of the Act;

“**mining property**” means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);”

“**multiple purposes**” means the use of a property for more than one purpose subject to section 9 of the Act;

“municipal property” is property registered or which vests in the name of Swartland municipality;

“municipality” means the Municipality of Swartland established in terms of section 12 of the Local Government: Municipal Structures Act, 1998, (Act No 117 of 1998);

“municipal manager” means a person appointed in terms of section 54A of the Local Government: Municipal Systems Act, 2000, (Act No 32 of 2000);

“occupier” means a person in actual occupation or control of a property whether or not that person has a right to occupy the property;

“owner”

- (a) in relation to property referred to in paragraph (a) of the definition of **“property”**, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of **“property”**, means a person in whose name the right is registered;
- (bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
- (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);
- (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f) of the Act, means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of **“property”**, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of **“property”**, means the organ of state which owns or controls that public service infrastructure as envisaged by the definition in the Act of the term **“publicly controlled”**; provided that a person mentioned below shall for the purposes of this by-law be regarded by the municipality as the owner of a property in the following cases–
 - (i) a trustee, in the case of a property in a trust excluding state trust land;
 - (ii) an executor or administrator in a deceased estate;
 - (iii) a trustee or liquidator in an insolvent estate or in liquidation;
 - (iv) a judicial manager in the estate of a person under judicial management;
 - (v) a curator in the estate of a person under curatorship;

(vi) a usufructuary or other person in whose name a usufruct or other personal servitude is registered that is subject to a usufruct or other personal servitude;

(vii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

(viii) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right;

“permitted use” means the limited purposes for which the property may be used in terms of–

- (a) any restrictions imposed by–
 - (i) a condition of title;
 - (ii) provision of a town planning or land use scheme; or
 - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

“policy” means the municipality’s Property Rates Policy reflected in the Schedule to this by-law which policy refers;

“property” means–

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

“public service infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; and
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;

- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);

“public service purposes” in relation to the use of a property means property owned and used by an organ of state as—

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law,

but excludes property contemplated in the definition of “public service infrastructure”;

“rate” means a municipal rate on property envisaged in section 229(1)(a) of the Constitution and **“rates”** has a corresponding meaning;

“rateable property” means property on which a municipality may, in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

“rebate” means a discount on the amount of the rate payable on the property;

“reduction” means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

“residential property” means property included in a valuation roll in terms of section 48(2)(b) of the Act as residential in respect of which the primary use or permitted use is for residential purposes, without derogating from section 9 of the Act;

“small holding” means an area predominantly zoned rural or any other equivalent zoning, with the purpose to accommodate smaller rural properties that may be used for agricultural and residential purposes for people seeking a rural lifestyle;

“the Act” means the Municipal Property Rates Act 6 of 2004;

“this by-law” includes the Property Rates Policy as reflected in the Schedule.

2. Power to levy property rates

The municipality levies property rates in terms of—

- (a) section 229(1)(a) of the Constitution;
- (b) the Act; and
- (c) this by-law.

3. Adoption and implementation of policy

The municipality must adopt and implement a rates policy in accordance with the Act for the levying of rates on rateable property in its area.

4. General principles

- (1) Rates are levied as an amount in the rand based on the market value of all rateable property contained in the municipality’s valuation roll.
- (2) Criteria are provided for the determination of categories of property and owners and for the purpose of levying different rates on categories of property and owners.
- (3) Different rates may be levied for different categories of rateable property.
- (4) Relief in respect of payment for rates shall not be granted to any category of property or owners on an individual basis, other than by way of an exemption, rebate or reduction.
- (5) All ratepayers with similar properties must be treated equally.
- (6) The ability of a person to pay rates must be taken into account.
- (7) Provision must be made for the promotion of local economic development and sustainable local government.
- (8) Rates shall be based on the value of all rateable property and the amount required by the municipality to balance the operating budget.

5. Differential rating

Subject to the Act, the municipality may levy different rates on different categories of property.

6. Notification of rates

- (1) A resolution levying rates in a municipality must be annually promulgated, within 60 days of the date of the resolution, by publishing the resolution in the *Provincial Gazette* and in a newspaper or newspapers circulating in the area of the municipality.
- (2) The resolution must—
 - (a) contain the date on which the resolution levying rates was passed;
 - (b) differentiate between categories of properties; and
 - (c) reflect the cent amount in the Rand rate for each category of property.

7. Recovery of rates in arrears from tenants or occupiers

Subject to the provisions of section 28 of the Act, the municipality may recover rates which are unpaid after the due date by the owner of a property, in whole or in part from the tenant or occupier of such property.

8. Recovery of rates in arrears from agents

Subject to the provisions of section 29 of the Act, the municipality may recover the amount due for rates in whole or in part from the agent of the owner.

9. Correction of errors and omissions

(1) Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

(2) Where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied in terms of the municipality's Credit Control and Debt Collection By-law.

10. Enforcement mechanisms

If an owner of a property fails to pay rates in the prescribed manner, the Director: Financial Services must recover from such owner the rates due in accordance with the provisions of the municipality's Credit Control and Debt Collection By-law.

11. Appeal

A person whose rights are affected by a delegated decision of the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 to the municipal manager within 21 days of the date of the notification of the decision.

12. Offences and penalties

A person who—

- (a) makes a false application or declaration which will affect the rates payable on any property whether on his or her own behalf or that of someone else;
- (b) refuses or fails to report any amendments to an application or declaration, referred to in paragraph (a), to the municipality after such occurrence; or

(c) interferes or hinders an official of the municipality in the execution of his or her duties in terms of this by-law, commits an offence and upon conviction shall be liable to payment of a fine or imprisonment or to such imprisonment or to both such fine and such imprisonment.

13. Repeal of by-laws

The Rates By-law promulgated in *Provincial Gazette* 7825 on is hereby repealed. 11 July 2014 is hereby repealed

14. Short title and commencement

This By-law shall be known as the Swartland Municipality Property Rates By-law and shall become effective on **1st July 2015**.

SCHEDULE
SWARTLAND MUNICIPALITY
PROPERTY RATES POLICY

In terms of section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), the Municipality of Swartland hereby adopts the following Property Rates Policy–

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1. Purpose of the policy
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11. Rate adjustments
12. Multipurpose use of property
13. Costs of exemptions, rebates, reductions and phasing in of rates
14. Payment arrangements
15. Utilisation of property

1. Purpose of the policy

The purpose of the policy is–

- (a) to comply with the provisions of section 3 of the Act; and
- (b) to determine criteria to be applied for–
 - (i) the levying of different rates for different categories of properties;
 - (ii) exemptions;
 - (iii) reductions and rebates; and
 - (iv) rate increases or decreases;
- (c) to determine or provide criteria for the determination of–
 - (i) categories of properties for the purpose of levying different rates; and

- (ii) categories of owners of properties or categories of properties, for the purpose of granting of exemptions, rebates and reductions;
- (d) to determine how the municipality's powers must be exercised in relation to multipurpose properties;
- (e) to identify and quantify in terms of cost and benefit to the community–
 - (i) exemptions, rebates and reductions;
 - (ii) exclusions; and
 - (iii) rates on properties to be phased in;
- (f) to take into account the effect of rates on the poor;
- (g) to take into account the effect of rates on organisations conducting particular public benefit activities and registered in terms of the Income Tax Act for tax exemptions because of those activities, in the case of property owned and used by such organisations for those activities;
- (h) to take into account the effect of rates on public service infrastructure;
- (i) to allow the municipality to promote local economic and social development;
- (j) to identify all rateable property;
- (k) to ensure that any exemptions, rebates or reductions provided for in this policy comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government; and
- (l) to ensure that the municipality does not grant relief in respect of the payment of a rate–
 - (i) to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in this policy and granted in terms of section 15 of the Act; or
 - (ii) to the owners of properties on an individual basis.

2. Policy principles

- (1) The levying of a rate on a property is an exclusive power of the municipality which will be applied optimally and expansively within the municipality and with due regard to the total income pool of the municipality.
- (2) The rating of property will be done impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions and rebates contemplated in section 15 of the Act.
- (3) The rating of property will be implemented in a way that–
 - (a) is developmentally orientated;
 - (b) supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - (c) supports local and social economic development.

- (4) Property rates may be levied to correct the imbalances of the past and to minimise the effect of rates on the poor.
- (5) Rates will be levied in proportion to the market value of the property.
- (6) The rates tariff will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading and economic services and the amounts required to finance exemptions, rebates, reductions and phasing in of rates as approved by the council.
- (7) Trading and economic services must be ring fenced and tariffs and service charges calculated in such a manner that the income generated covers the cost of the services or generates a profit.
- (8) Property rates may be used to finance community services.
- (9) Profits on trading and economic services may be used to subsidise community services.
- (10) The provision for working capital and bad debts must relate to the requirements for community services and not to those of trading and economic services.
- (11) The income base of the municipality must be protected by limiting reductions, exemptions and rebates.

3. Levying of rates

- (1) Subject to the provisions of sub paragraph (2), the municipality must levy rates on all rateable property in its area of jurisdiction at a rate to be fixed in terms of section 14 of the Act.
- (2) Rates may not be levied–
 - (a) as contemplated in terms of section 17 of the Act;
 - (b) on property of the municipality;
 - (c) on public services infrastructure which is the property of a municipal entity;
 - (d) property referred to in section 7(2)(a)(iii) and (iv) of the Act; and
 - (c) property exempted in terms of paragraph 7 hereof.

4. Categories of property

Properties may be categorised as follows according to the use of the property, the permitted use of the property, or a combination of the two–
residential properties;

- (a) vacant residential property;
- (b) industrial properties;
- (c) business properties;
- (d) properties in rural areas zoned for business or in terms of which consent uses have been approved in terms of the municipality's zoning scheme regulations;

- (e) agricultural properties such as–
 - (i) farm properties and smallholdings used for bona fide farming and residential purposes; and
 - (ii) farm properties registered in the name of an agricultural society which are affiliated to the SA Agricultural Union;
- (f) state-owned properties, excluding state-owned property contemplated in sub paragraph (l) below;
- (g) municipal property, registered in the name of the Swartland municipality or properties of which the ownership vests in the municipality;
- (h) public service infrastructure properties;
- (i) informal settlements including those on land which are not subdivided into residential erven;
- (j) property–
 - (i) acquired through the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993), or the Restitution of Land Rights Act, 1994 (Act No 22 of 1994); or
 - (ii) which is subject to the Communal Property Association Act, 1996 (Act No 28 of 1996);
- (k) conservation areas;
- (l) properties on which national monuments are proclaimed;
- (m) properties owned by the following public benefit organisations and used for the corresponding public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, No 58 of 1962–
 - (i) welfare and humanitarian organisations;
 - (ii) cultural organisations;
 - (iii) sporting organisations;
 - (iv) conservation, environmental and animal welfare organisations;
 - (v) healthcare organisations; and
 - (vi) education and development.
- (n) properties used for multiple purposes in terms of the municipality's zoning scheme regulations; and
- (o) properties in geographical areas as determined by the municipality for the purpose of differential rates.

5. Categories of owners

- (1) In terms of section 15(2) of the Act the following categories of owners will be recognised–
 - (a) owners who qualify for indigent support in terms of the municipality's Credit Control and Debt Collection policy;
 - (b) owners of property situated within an area affected by–

- (i) a disaster within the meaning of the Disaster Management Act, 2002 (No 57 of 2002); or
- (ii) any other adverse social or economic conditions;
- (c) owners of residential properties of which the market value is lower than an amount determined by the municipality; and
- (d) owners of residential properties who are 65 years or older.

6. Differential rates

- (1) In terms of section 8 of the Act the municipality may levy differential rates for different categories of rateable property.
- (2) A rate equal to **25%**, or such lesser rate as the municipality may determine, of the rate applicable to residential properties may be levied in respect of–
 - (a) agricultural property; and
 - (b) that portion of a property in the category “multiple purposes” which has been apportioned for agricultural purposes in terms of section 15(2) of the Act.
- (3) The differential rates currently applicable to geographical areas as contemplated in paragraph 4(p) shall however be phased out over a maximum period of seven years with effect from 1 July 2015.

7. Exemptions

- (1) To reduce the rates burden and cost of service charges all municipal properties are exempted from property tax, including municipal property which is leased.
- (2) The following properties will also be exempt from rates–
 - (a) property assigned to the category contemplated in paragraph 4(m); provided that–
 - (i) the organisation which owns such a property, is registered for tax exemption in terms of the Income Tax Act;
 - (ii) a valid certificate issued by the SA Revenue Services confirming such registration is submitted; and
 - (iii) an application for exemption from rates for the ensuing financial year is submitted annually on or before 30 September.
 - (b) property registered in the name of a public benefit organisation (welfare and humanitarian) which is used for the following public benefit activities–
 - (i) the care for, or counseling of abandoned, abused, neglected, orphaned or homeless children or the provision of education programmes relating to such children;
 - (ii) the care for, or counseling of poor and needy persons where more than 90% of the persons to whom the care or counseling is provided are over the age of 60 years;

- (iii) the care for, or counseling of physically or mentally abused and traumatised persons or the provision of education programmes relating to such persons;
- (iv) the provision of disaster relief;
- (v) the rescue or care of persons in distress;
- (vi) the provision of poverty relief;
- (vii) rehabilitative care, counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial;
- (viii) the rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances;
- (ix) conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa;
- (x) the promotion or advocacy of human rights and democracy;
- (xi) the protection of the safety of the general public;
- (xii) the promotion or protection of family stability;
- (xiii) the provision of legal services for poor and needy persons;
- (xiv) the provision of facilities for the protection and care of children under school-going age of poor and needy parents;
- (xv) the promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees;
- (xvi) community development for poor and needy persons and anti-poverty initiatives, including–
 - (aa) the promotion of community based projects relating to self-help, empowerment, capacity building, skills development or anti-poverty;
 - (bb) the provision of training, support or assistance to community based projects contemplated in paragraph (aa); or
 - (cc) the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the minister by way of regulation; and
 - (dd) the promotion of access to media and a free press.
- (c) property registered in the name of a public benefit organisation (cultural) which is used for the following public benefit activities–
 - (i) the advancement, promotion or preservation of the arts, culture or customs;
 - (ii) the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or

- cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries; and
- (iii) the provision of youth leadership or development programmes.
 - (d) property registered in the name of a public benefit organisation (sport) which is used for the administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.
 - (e) property registered in the name of a public benefit organisation (conservation, environmental and animal welfare) which is used for the following public benefit activities–
 - (i) engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere;
 - (ii) the care of animals, including the rehabilitation or prevention of the ill-treatment of animals; and
 - (iii) the promotion of education and training programmes relating to environmental awareness, greening, clean-up or sustainable development projects.
 - (f) property registered in the name of a public benefit organisation (healthcare) which is used for the following public benefit activities–
 - (i) the provision of healthcare services to poor and needy persons;
 - (ii) the care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard;
 - (iii) the prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS;
 - (iv) the care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard;
 - (v) the provision of blood transfusion, organ donor or similar services; and
 - (vi) the provision of primary healthcare education, sex education or family planning.
 - (g) property registered in the name of an agricultural society affiliated to or recognised by the South African Agricultural Union, which is used for the purposes of such a society shall be exempt from rates, provided that the owner thereof applies annually on or before 30 September for exemption for the ensuing financial year.
 - (h) property which have been assigned to the following categories–
 - (i) “informal settlements” in terms of paragraph 4(j);
 - (ii) “conservation areas” in terms of paragraph 4(k), or that portion of a property in the category “multiple purposes” which, in terms of

- section 9 of the Act, has been apportioned for conservation area purposes in accordance with paragraph 4(o);
- (iii) “public service infrastructure” in terms of paragraph 4(i);
 - (iv) residential property with a market value of R 95 000 or less, which has been assigned to the category contemplated in paragraph 5(1)(d). (The R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be deemed to be excluded from the amount of R 95 000.)

8. Rebates

- (1) The municipality may grant rebate to industrial enterprises that promote local, social and economic development in its area of jurisdiction.
- (2) The following criteria shall apply–
 - (a) job creation in the municipal area;
 - (b) social upliftment of the local community; and
 - (c) creation of infrastructure for the benefit of the community.
- (3) For purposes of rebate an industrial enterprise shall be considered to be an enterprise which is lawfully conducted from premises zoned for industrial purposes in terms of the municipality’s zoning scheme and which employs at least 25 or more fulltime employees on such premises.
- (4) Rebate shall be phased out within five years from the date on which the rebate was granted for the first time.
- (5) Rebate may be granted on application subject to–
 - (a) the submission of a business plan indicating how the local, social and economic development objectives of the municipality are going to be complied with;
 - (b) the submission of a continuation plan certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the company plans to continue to achieve the objectives; and
 - (c) an assessment and confirmation by the municipal manager that the company qualifies.
- (6) Rebate may be granted in respect of the following properties–
 - (a) property assigned to the category contemplated in paragraph 4(m); provided that–
 - (i) the organisation which owns such a property, is registered for tax exemption in terms of the Income Tax Act;
 - (ii) a valid certificate issued by the SA Revenue Services confirming such registration is submitted; and
 - (iii) an application for exemption from rates for the ensuing financial year is submitted annually on or before 30 September.

- (b) property registered in the name of a public benefit organisation (education and development) which is used for the following public benefit activities–
- (i) the provision of education by a school as defined in the South African Schools Act, 1996, (Act No 84 of 1996);
 - (ii) the provision of higher education by a higher education institution as defined in terms of the Higher Education Act, 1997, (Act No 101 of 1997);
 - (iii) adult basic education and training, as defined in the Adult Basic Education and Training Act, 2000, (Act No 52 of 2000), including literacy and numeracy education;
 - (iv) further education and training provided by a public further education and training institution as defined in the Further Education and Training Act, 1998, (Act No 98 of 1998);
 - (v) training for unemployed persons with the purpose of enabling them to obtain employment;
 - (vi) the training or education of persons with a severe physical or mental disability;
 - (vii) the provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph (ii);
 - (viii) the provision of educare or early childhood development services for pre-school children;
 - (ix) training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government;
 - (x) the provision of school buildings or equipment for public schools and educational institutions engaged in public-benefit activities contemplated in subparagraphs (a) to (h);
 - (xi) career guidance and counseling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (i) and (viii);
 - (xii) the provision of hostel accommodation to students of a public benefit organisation, institution, board or body;
 - (xiii) programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, preschools or educational institutions as envisaged in subparagraphs (i) to (viii);
 - (xiv) educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.

- (c) property assigned to the categories as contemplated by paragraphs 4(f) and 4(l).
 - (d) properties used for public service purposes;
 - (e) dwelling units categorised in paragraph 5(1)(b) and subject to compliance with the following requirements–
 - (i) application for rebate must be submitted annually before 30 September;
 - (ii) applicant must be the registered owner of the property;
 - (iii) the owner must occupy the property; and
 - (iv) in the case of a semidetached house of which a section is rented out the rebate will only apply to that portion occupied by the owner.
 - (f) properties categorised in paragraph 5(1)(a) of which the owners qualify for indigent support in terms of the municipality's credit control and debt collection policy R, to an amount equal to the rate payable on the first **R 95 000** of the valuation of such a property, subject to the conditions contained in the said policy. (Such owner shall be liable for payment of rates in respect of the valuation of the particular property in excess of **R 95 000**, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the **R 95 000**.)
 - (g) residential properties categorised in paragraph 5(1)(e), to an amount equal to the rates payable on the first **R 300 000** of the valuation of such property, provided that the owner–
 - (i) must be older than 64 years and shall qualify for such rebate with effect from the financial year during which such owner turns 65 years, provided that applications must be submitted to the municipality annually before 30 September;
 - (ii) must be the registered owner of the residential property concerned and must occupy such property **permanently**; and
 - (iii) qualifies for only the most beneficial of any rebates for which he or she qualifies in terms of this policy.
(The R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the **R 300 000**.)
- (7) Applications for rebate must be accompanied by the following–
- (a) certified copy of the identity document of the owner or any other proof of the owner's age; provided that no age requirement will apply if the owner is a disabled person in receipt of a disability grant; and
 - (b) proof of a disability grant where applicable.

9. Application for exemption or rebate

- (1) Application for exemption or rebate must be made on the prescribed form obtainable from the chief financial officer.

- (2) The following information must be furnished on the prescribed form–
 - (a) personal particulars of the applicant;
 - (b) postal address of the applicant;
 - (c) erf or lot number of the property in respect of which application is made, as depicted in the municipality's valuation records;
 - (d) a description of the purpose for which such property is used; and
 - (e) any other particulars which the municipality may require.
- (3) All applications for exemption or rebate must be considered by the chief financial officer or his delegatee.
- (4) The chief financial officer or his delegatee may refuse an application for exemption of tax or a rebate on tax if–
 - (a) the information furnished on the application form is incomplete, incorrect or false; or
 - (b) the application form is not received on or before the due date determined for such applications.

10. Reductions

- (1) Reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act may be granted where the value of a property is affected by fire damage, demolition or floods.
- (2) The reduction will be subject to a certificate issued by the municipal valuator.

11. Rate adjustments

- (1) The municipality may adjust rates annually during the budget process.
- (2) Rate adjustments must be used to finance operating costs of community services.
- (3) The following annual adjustments will be made in respect of community services–
 - (a) all salary and wage adjustments as agreed at the National Bargaining Council;
 - (b) an inflation adjustment for general expenditure, repairs and maintenance and contributions to funds; and
 - (c) additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.
- (4) Extraordinary expenditure not foreseen during the previous budget period and approved by the council during a budget review process will be financed by an adjustment in property rates.
- (5) All adjustments in the property rates must be communicated to the local community in terms of the council's policy on community participation.

12. Multipurpose use of property

Rates on properties which have been assigned to the category “multiple purposes” shall be levied at the rate as contemplated in section 9(2) of the Act.

13. Costs of exemptions, rebates, reductions and phasing in of rates

- (1) During the budget process the chief financial officer must inform council of all the costs associated with the suggested exemptions, rebates and reductions as well as the cost of phasing in of rates and grants in lieu of rates.
- (2) Provision must be made in the operating budget for–
 - (a) the full potential income associated with property rates; and
 - (b) the full costs associated with exemptions, rebates, reductions, phasing in of rates and grants in lieu of rates.

14. Payment arrangements

The following matters shall be dealt with in terms of the municipality's credit control and debt collection policy–

- (a) the date on which rates become due;
- (b) the due date for payment of rates which are levied monthly as well as annually;
- (c) interest on taxes in arrears; and
- (d) steps against defaulters.

15. Utilisation of property

Where it is necessary to determine the use of property, the permitted use of such a property, as contemplated in section 8(1)(b) of the Act, shall be decisive.

09.03.2016

Adjustments:

Paragraph 14. Page 8 – 01st July 2015

Paragraph 6.(2) Page 13 – 25%

Paragraph 7.(h) (iv) – R 95 000

Paragraph 8.(f) - R 95 000

Paragraph 8 (g) 5(1)(e) – R 300 000

Paragraph 8 (g) (iii) – R 300 000

05.05.2016

Adjustments:

Paragraph 8 (6) (g) (ii) - permanently

SWARTLAND MUNISIPALITEIT KREDIETBEHEER- EN SKULDINVORDERINGSVERORDENING

Ingevolge die bepalings van artikel 156 van die Grondwet van die Republiek van Suid-Afrika, 1996, bepaal Swartland Munisipaliteit soos volg-

Inhoudsopgawe

1. Woordomskrywings
2. Plig om skuld in te vorder
3. Diensverskaffing
4. Verbruikersdienste deposito
5. Renteheffings
6. Reëlins om agterstallige gelde te betaal
7. Ooreenkoms met werkgewer
8. Bevoegdheid om die verskaffing van dienste te beperk of af te sluit
9. Skuldverhaling
10. Verhaling van koste
11. Beslaglegging
12. Volle en finale vereffening
13. Konsolidasie van rekenings en toewysing van betalings
14. Deernisondersteuning
15. Delegasie
16. Klaringsertifikate
17. Appèl
18. Misdrywe en strawwe
19. Herroeping van verordeninge
20. Kort titel en inwerkingtrede

BYLAE: KREDIETBEHEER- EN SKULDINVORDERINGSBELEID

1. Definisies

In hierdie verordening geld die Engelse teks in die geval van enige teenstrydigheid met die Afrikaanse teks, en, tensy die konteks anders aandui, beteken—

“agterstallige bedrae” enige bedrag verskuldig en betaalbaar aan die munisipaliteit wat nie voor of op die betaaldatum betaal is nie;

“beleid” die Kredietbeheer- en Skuldinvorderingsbeleid van die munisipaliteit, soos weerspieël in die Bylae tot hierdie verordening, welke Bylae verwys;

“beskikbaarheidsgelde” die gelde wat heftig kan word teen onroerende eiendom met of sonder verbetering, wat nie aan enige munisipale diensnetwerk aangesluit is nie maar waar sodanige eiendom redelikerwys aangesluit kan word;

“betaaldatum” die finale datum waarop betaling, soos getoon op die munisipale rekening, moet geskied;

“eienaar”

- (a) ten opsigte van eiendom gemeld in paragraaf (a) van die omskrywing van “eiendom”, beteken ‘n persoon in wie se naam eienaarskap van die eiendom geregistreer is;
- (b) ten opsigte van ‘n reg gemeld in paragraaf (b) van die omskrywing van “eiendom”, beteken ‘n persoon in wie se naam die reg geregistreer is;
- (c) ten opsigte van ‘n grondbesitreg gemeld in paragraaf (c) van die omskrywing van “eiendom”, beteken ‘n persoon in wie se naam die reg geregistreer is of aan wie dit ingevolge wetgewing toegestaan is; of
- (d) ten opsigte van openbare dienste infrastruktuur gemeld in paragraaf (d) van die definisie van “eiendom”, beteken ‘n staatsorgaan wat sodanige openbare dienste infrastruktuur besit of beheer;

met dien verstande dat ‘n persoon wat hieronder gemeld word vir die doeleindes van hierdie verordening in die volgende gevalle as die eienaar van ‘n eiendom deur ‘n munisipaliteit beskou sal word—

- (i) ‘n trustee, in die geval van ‘n eiendom in ‘n trust, met uitsluiting van staatstrustgronde;
 - (ii) ‘n eksekuteur of administrateur in ‘n bestorwe boedel;
 - (iii) ‘n trustee of likwidateur in ‘n insolvente boedel of in likwidasie;
 - (iv) ‘n geregtelike bestuurder in die boedel van ‘n persoon onder geregtelike bestuur;
 - (v) ‘n kurator in die boedel van ‘n persoon wat onder kuratorskap verkeer;
 - (vi) ‘n vruggebruiker of ander persoon in wie se naam ‘n vruggebruik of ander persoonlike serwituut geregistreer is, in die geval van ‘n eiendom wat aan vruggebruik of ‘n ander persoonlike serwituut onderworpe is;
 - (vii) ‘n koper, in die geval van ‘n eiendom wat verkoop is en waarvan besit gegee is aan die koper hangende registrasie van eienaarskap in die naam van die koper;
- (e) in enige geval waar die raad nie in staat is om die identiteit van so ‘n persoon te bepaal nie, ‘n persoon wat geregtig is op die voordelige gebruik van sodanige onroerende eiendom;
 - (f) in die geval van onroerende eiendom waarvoor ‘n huurooreenkoms van 30 jaar of langer aangegaan is, die huurder daarvan;
 - (g) met betrekking tot—
 - (i) ‘n gedeelte van grond wat op ‘n deeltitelplan afgebaken is en ingevolge die Wet op Deeltitels, 1986 (Wet 95 van 1986) geregistreer is, die ontwikkelaar of beheerliggaam met betrekking tot die gesamentlike eiendom;
 - (ii) ‘n gedeelte van grond, die persoon op wie se naam daardie gedeelte geregistreer is in ooreenstemming met die transportakte, met insluiting van die wettig aangestelde verteenwoordiger van sodanige persoon;
 - (iii) enige persoon, met insluiting van maar nie beperk nie tot—

- (aa) 'n maatskappy geregistreer in ooreenstemming met die Maatskappywet, 2008, (Wet 71 van 2008) 'n trust *inter vivos*, 'n trust *mortis causa*, 'n beslote korporasie geregistreer in ooreenstemming met die Wet op Beslote Korporasies, 1984 (Wet 69 van 1984), en 'n vrywillige assosiasie;
- (bb) enige staatsdepartement;
- (cc) enige raad of bestuursliggaam ingestel ingevolge enige wet van toepassing in die Republiek van Suid-Afrika; en
- (dd) enige ambassade of ander buitelandse entiteit;

“eiendom” beteken—

- (a) onroerende eiendom geregistreer in die naam van 'n persoon, insluitend, in die geval van 'n deeltitelskema, 'n deeltiteleenheid wat in die naam van 'n persoon geregistreer is;
- (b) 'n reg geregistreer teen onroerende eiendom in die naam van 'n persoon, met uitsluiting van 'n verbandlening wat teen die eiendom geregistreer is;
- (c) 'n grondbesitreg geregistreer in die naam van 'n persoon of verleen aan 'n persoon ingevolge wetgewing; of
- (d) openbare dienste-infrastruktuur;

“finansiële jaar” die periode vanaf 1 Julie tot 30 Junie van elke jaar;

“hierdie verordening” sluit die beleid wat in die Bylae tot hierdie verordening weerspieël word in;

“hulpbehoewende” 'n persoon of huishouding soos beoog in paragraaf 25 van hierdie beleid;

“in verstek”

- (a) indien 'n eienaar aan die einde van 'n finansiële jaar van die munisipaliteit enige bedrag geld aan die munisipaliteit verskuldig is ten opsigte van belasting of beskikbaarheidsgelde; of
- (b) indien 'n eienaar na 31 Oktober van 'n jaar agterstallig is met betaling van belasting; of
- (c) indien 'n eienaar vir 'n periode van 60 dae of langer agterstallig is met betaling van beskikbaarheidsgelde;

“munisipale bestuurder” die persoon wat deur die raad in dié hoedanigheid aangestel is ingevolge artikel 54A van die Wet;

“munisipale dienste” beteken *“munisipale dienste”* soos omskryf in artikel 1 van die Wet, en sluit 'n funksie of 'n kombinasie van funksies in soos gelys in Bylae 4B en 5B van Die Grondwet van die Republiek van Suid-Afrika, 1996, en enige ander diens wat deur die munisipaliteit gelewer word;

“munisipaliteit” die munisipaliteit van Swartland en sluit enige gedelegeerde amptenaar of diensverskaffer van die munisipaliteit in;

“okkupeerder” enige persoon wat 'n perseel bewoon of beheer het daarvoor;

“onwettige praktyke” enige praktyk of bedryf wat op 'n perseel beoefen word wat teenstrydig is met Nasionale of Provinsiale wetgewing of enige verordeninge of regulasies van die munisipaliteit.

“persoon” sluit in—

- (a) 'n natuurlike persoon
- (b) 'n regspersoon;
- (c) vir die doeleindes van hierdie verordening ook enige industriële of handelonderneming; en
- (d) 'n staatsinstelling;

“perseel” beteken enige gedeelte grond, geleë binne die regsgebied van die munisipaliteit, waarvan die buitengrense afgebaken is op—

- (a) 'n algemene plan of diagram wat geregistreer is ingevolge die Opmetingswet, 1927 (Wet 9 van 1927) of die Registrasie van Aktes Wet, 1937 (Wet 47 van 1937); of
- (b) 'n deeltitelplan geregistreer ingevolge die Wet op Deeltitels, 1986 (Wet 95 van 1986);

“rekening” sluit in—

- (a) heffings, bobelasting, dienstegelde en beskikbaarheidshreffings ten opsigte van die volgende dienste—
- (b) elektrisiteitsvoorsiening;
- (c) watervoorsiening;
- (d) vullisverwydering;
- (e) riooldienste;
- (f) eiendomsbelasting;
- (g) huurgeld;
- (h) leningspaaielemente
- (i) rente op agterstallige bedrae; en
- (j) enige ander heffings en gelde wat aan die munisipaliteit verskuldig en betaalbaar is;

en **“munisipale rekening”** het 'n ooreenstemmende betekenis;

“raad” die munisipale raad van die munisipaliteit van Swartland;

“skuld” enige gelde wat aan die munisipaliteit verskuldig is ten opsigte van die lewering van munisipale dienste, en sluit geld in wat verskuldig is met betrekking tot eiendomsbelasting, behuising, motorvoertuigregistrasie en -lisensiëring, huurkontrakte wat beëindig is en enige ander uitstaande bedrae, met inbegrip van rente wat daarop verdien is, wat aan die munisipaliteit verskuldig is;

“standaardrentekoers” beteken 'n rentekoers gelyk aan die prima koers plus 'n persentasie wat jaarliks tydens die begrotingsproses deur die raad bepaal word; persentasie wat jaarliks tydens die begrotingsproses deur die raad bepaal word;

“verbruiker” die persoon, met insluiting, maar nie beperk nie, tot die eienaar, huurder of okkupeerder van eiendom wat munisipale dienste ontvang, gebruik of voordeel daaruit trek;

“Wet” die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet 32 van 2000);

2. Plig om skuld in te vorder

Alle skuld verskuldig aan die munisipaliteit moet ooreenkomstig hierdie verordening en die beleid ingevorder word.

3. Diensverskaffing

Nuwe aansoeke om dienste en die verskaffing van nuwe dienste moet ooreenkomstig die voorskrifte vervat in die beleid hanteer word.

4. Verbruikersdienste deposito

Die munisipaliteit mag vereis dat 'n deposito betaal word vir die verskaffing van dienste en die heraansluiting van dienste, of mag die bedrag van enige bestaande deposito ooreenkomstig die voorskrifte vervat in die beleid aanpas.

5. Renteheffings

Die munisipaliteit **sal** rente hef en verhaal ten opsigte van enige agterstallige skuld ooreenkomstig die voorskrifte van die beleid.

6. Reëlins om agterstallige gelde te betaal

- (1) Die munisipale bestuurder mag reëlins met 'n verbruiker tref om enige agterstallige skuld te betaal ooreenkomstig die voorwaardes van die beleid.
- (2) Indien 'n geskil ontstaan oor die bedrag van die agterstallige skuld, moet die verbruiker steeds voortgaan om ingevolge die ooreenkoms gereelde betalings te doen tot tyd en wyl die geskil besleg is.

7. Ooreenkoms met werkgewer

- (1) Die munisipale bestuurder mag–
 - (a) met die toestemming van 'n verbruiker wie se betalings agterstallig is, 'n ooreenkoms met sy of haar werkgewer aangaan om van sy of haar salaris af te trek–
 - (i) enige uitstaande bedrae wat deur die verbruiker aan die munisipaliteit verskuldig is; of
 - (ii) gereelde maandelikse bedrae soos ooreengekom; en
 - (b) spesiale aansporings bied vir–
 - (i) werkgewers om sulke ooreenkomste aan te gaan; en
 - (ii) verbruikers wat instem tot sulke ooreenkomste.

8. Bevoegdheid om die verskaffing van dienste te beperk of af te sluit

- (1) Die munisipaliteit mag die verskaffing van enige diens na enige perseel beperk of afsluit wanneer sodanige verbruiker–
 - (a) versuim om op die betaaldatum te betaal;
 - (b) versuim om 'n ooreenkoms na te kom;
 - (c) versuim om aan 'n verskaffingsvoorwaarde soos deur die munisipaliteit opgelê, te voldoen;
 - (d) die infrastruktuur vir die verskaffing van sodanige diens beskadig of met 'n meter met betrekking tot daardie diens peuter.
- (2) Die munisipaliteit mag slegs die verskaffing van enige van die beperkte of gestaakte dienste heraansluit en herstel–

- (a) nadat die agterstallige skuld, sowel as al die koste wat in die beleid voorgeskryf word, ten volle betaal is en enige ander voorwaardes nagekom is; of
 - (b) nadat 'n ooreenkoms met die verbruiker aangegaan is vir die betaling van die bedrae bedoel in subartikel (a); en
 - (c) na die betaling van alle heffings soos in die munisipaliteit se Tariefbeleid bepaal in die geval van peutering of beskadiging van metertoerusting deur die verbruiker verantwoordelik vir sodanige skade of peutering.
- (4) Die munisipaliteit mag enige diens ten opsigte van enige agterstallige skuld beperk, afsluit of staak.

9. Skuldverhaling

Onderworpe aan artikel 6 moet die munisipale bestuurder met betrekking tot eiendomsbelasting, en mag hy of sy met betrekking tot enige ander skuld–

- (a) skuld deur regsoptrede verhaal;
- (b) skuld van enige staatsorgaan verhaal met inagneming van die bepalinge van Hoofstuk 3 van die Grondwet van die Republiek van Suid-Afrika, 1996; en
- (c) skuld na derdeparty-skuldinvorderingsagentskappe verwys.

10. Verhaling van koste

- (1) Waar kostes deur of namens die munisipaliteit aangegaan is ten einde gelde wat aan die munisipaliteit verskuldig is te verhaal, mag die munisipale bestuurder sodanige kostes verhaal, met inbegrip van die volgende maar nie beperk daartoe nie–
 - (a) koste- en administrasiegeld waar betalings wat deur middel van verhandelbare dokumente aan die munisipaliteit gemaak word deur 'n bank geweier word wanneer dit vir betaling aangebied word;
 - (b) regs- en administratiewe koste, ingesluit prokureurs- en kliëntkoste en opsporingskoste aangegaan om skuld te verhaal;
 - (c) beperkings-, afsluitings- en heraansluitingskoste, waar enige diens beperk of afgesluit is as gevolg van nie-voldoening aan hierdie verordening;
 - (d) enige verliese wat die munisipaliteit mag ly as gevolg van peutering met munisipale toerusting of meters; en
 - (e) enige invorderingskommissie wat aangegaan is.

11. Beslaglegging

Ten einde skuld te verhaal, mag die munisipale bestuurder 'n hof met die nodige jurisdiksie nader vir 'n bevel om op 'n verbruiker se roerende of onroerende eiendom beslag te lê.

12. Volle en finale vereffening

- (1) Enige bedrag aangebied ter betaling van skuld moet ontvang word by enige betaalkantoor van die munisipaliteit.
- (2) Geen aanbod ter volle en finale vereffening van skuld mag aanvaar word waar sodanige bedrag minder is as die uitstaande bedrag nie, tensy dit skriftelik deur die munisipale bestuurder bevestig is.
- (3) Nieteenstaande subartikel (2) moet betaling wat so aangebied word teen die verbruiker se rekening gekrediteer word sonder benadeling van die munisipaliteit se regte.

13. Konsolidasie van rekenings en toewysing van betalings

- (1) Ingevolge artikel 102 van die Wet, beskou die munisipaliteit alle afsonderlike rekenings van 'n verbruiker as gekonsolideer ongeag die feit dat afsonderlike rekenings gelewer kan word en dit sluit alle vooraf betaalde dienste in.
- (2) Betalings wat deur die munisipaliteit ontvang word, sal toegewys word in die volgorde soos uiteengesit in paragraaf 7 van die beleid en moet jaarliks tydens die begroting hersien word.
- (3) Subartikel (1) is nie van toepassing indien daar 'n dispuut is rakende enige spesifieke bedrag wat deur die munisipaliteit van 'n verbruiker geëis word nie.

14. Deernisondersteuning

Finansiële hulp mag deur die munisipaliteit verleen word aan 'n persoon wat voldoen aan die kriteria wat in paragraaf 25 van die beleid neergelê word.

15. Delegasie

Die munisipale bestuurder mag sy of haar magte ingevolge hierdie verordening aan enige amptenaar of diensverskaffer van die munisipaliteit deleger.

16. Uitklaringsertifikaat

Met die verkoop van enige eiendom moet die munisipaliteit die verlangde uitklaringsertifikaat uitreik soos voorgeskryf in die beleid.

17. Appèl

'n Persoon wie verontreg voel deur 'n besluit van die munisipaliteit ingevolge gedelegeerde magte, mag teen daardie besluit appelleer deur binne 21 dae van die datum van die kennis van die besluit aan die munisipale bestuurder skriftelik kennis te gee van die appèl en die redes daarvoor ingevolge artikel 62 van die Wet op Plaaslike Regering: Munisipale Stelsels, Wet 32 van 2000.

18. Misdrywe en strawwe

- (1) 'n Persoon wat—
 - (a) 'n amptenaar of raadslid van die munisipaliteit verhinder of verhoed om sy pligte ingevolge hierdie verordening of die beleid uit te voer;

- (b) munisipale toerusting onwettig gebruik of inneng met die verskaffing van dienste;
- (c) met enige munisipale meter peuter, dit beskadig of enige seël op enige meter breek;
- (d) versuim om te voldoen aan 'n kennisgewing ingevolge hierdie verordening of beleid bestel;
- (e) 'n amptenaar van die munisipaliteit toegang tot enige perseel weier; of
- (e) vals inligting verstrek met betrekking tot die verskaffing van dienste of aansoek om deernisondersteuning,

pleeg 'n misdryf en is by skuldigbevinding strafbaar met 'n boete of gevangenisstraf of sodanige gevangenisstraf sonder die keuse van 'n boete of met beide sodanige boete en gevangenisstraf.

19. Herroeping van verordeninge

Die word Verordening insake Kredietbeheer en Skuldinvordering gepromulgeer in Provinsiale Koerant 7285 van 11 Julie 2014 word hiermee herroep:

20. Kort titel en inwerkingtrede

Hierdie verordening staan bekend as die Kredietbeheer- en Skuldinvorderingsverordening en sal op **1 Julie 2016** in werking tree.

BYLAE

SWARTLAND MUNISIPALITEIT KREDIETBEHEER- EN SKULDINVORDERINGSBELEID

Ingevolge artikel 96 van die Wet op Plaaslike Regering: Munisipale Stelsels 2000 (Wet 32 van 2000) aanvaar die munisipaliteit van Swartland hiermee die volgende Kredietbeheer- en Skuldinvorderingsbeleid:

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3. Meting van munisipale dienste en defektiewe meters
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HOOFSTUK 1: DEFINISIES EN OOGMERKE

1. Oogmerke van die beleid

Die oogmerke van hierdie beleid is om–

- (a) te fokus op alle uitstaande skuld wat aan die munisipaliteit verskuldig en betaalbaar is;
- (b) voorsiening te maak vir innoverende, kostedoeltreffende, doelmatige en gepaste metodes vir kredietbeheer, skuldinvordering en verligting aan hulpbehoewendes;
- (c) 'n kultuur van goeie betaalgewoontes te bevorder en om 'n gevoel van verantwoordelikheid teenoor die betaling van munisipale rekenings te skep en om munisipale skuld te verminder; en
- (d) om voorsiening te maak vir die subsidiëring van dienste aan hulpbehoewende huishoudings.

HOOFSTUK 2: KLANTESORG EN -BESTUUR

2. Kommunikasie en die oordra van inligting

Ten einde uitvoering aan die bepalings van artikel 95(a), (b) en (c) van die Wet te gee, kan die munisipaliteit–

- (a) 'n klantesorgforum daarstel waar lede van die gemeenskap en lede van die raad mekaar kan ontmoet;
- (b) wyksvergaderings hou waar verteenwoordigers van die munisipaliteit en ander diensverskaffers met wykslede en hul wyksvertenwoordigers kan beraadslaag; en
- (c) maatreëls instel om seker te maak dat verbruikers van munisipale dienste of enige ander diens, belastingbetalers en inwoners in die algemeen, behoorlik ingelig word met betrekking tot dienslewering en in besonder die koste van die verskaffing van dienste.

3. Meting van munisipale dienste en defektiewe meters

- (1) Die munisipaliteit moet die meet van elektrisiteit en water wat aan verbruikers voorsien word deur middel van akkurate en verifieerbare metingstelsels verseker.
- (2) Meters moet so ver moontlik met tussenposes van een maand of 'n tydperk wat deur die munisipaliteit bepaal word, gelees word.
- (3) Indien meters om enige rede nie gelees kan word nie of nie gelees is nie, sal die munisipaliteit geregtig wees om 'n rekening te lewer gebaseer op die geskatte verbruik bereken op grond van die gemiddelde verbruik van die drie maande voor die datum waarop die meter die laaste keer gelees is, met dien verstande dat die verskil tussen die werklike verbruik en die geskatte verbruik verreken word sodra 'n gemeterde lesing verkry is.
- (4) Dit word aanvaar dat die elektrisiteits- of waterverbruik wat deur 'n meter geregistreer is, in werklikheid gelewer is, met dien verstande dat vir enige tydperk wat die meter buite werking was, die elektrisiteit of water wat so gelewer is, bereken kan word op grond van die gemiddelde verbruik oor die drie maande voor die betrokke tydperk.
- (5) 'n Verbruiker kan 'n spesiale meterlesing teen 'n voorgeskrewe tarief versoek.
- (6) Defektiewe meettoerusting sal hanteer word ingevolge die munisipaliteit se verordeninge met betrekking tot die voorsiening van water- en elektrisiteitsdienste.
- (7) Die bepalings van die verordeninge genoem in subparagraaf (6) met betrekking tot die eienaarskap van meettoerusting is met die nodige wysigings van toepassing.

4. Munisipale rekenings

- (1) Die munisipaliteit sal maandeliks 'n rekening lewer aan die verbruiker van munisipale dienste.
- (2) Die rekening sal die volgende weerspieël–
 - (a) alle uitstaande bedrae en die saldo wat oorgedra is;

- (b) verskuldigde bedrae;
- (c) totale bedrag betaalbaar; en
- (d) meterlesings waar van toepassing.

5. Navrae, dispute en appèl

(1) *Navrae:*

- (a) 'n Verbruiker kan die munisipaliteit versoek om 'n rekening te hersien.
- (b) Terwyl sodanige rekening hersien word, moet die verbruiker 'n bedrag betaal gelyk aan die gemiddelde verbruik vir die voorafgaande drie maande waar die geskiedenis van daardie rekening beskikbaar is.
- (c) Waar sodanige geskiedenis nie beskikbaar is nie, moet die verbruiker voor die betaaldatum 'n geskatte bedrag betaal totdat die aangeleentheid opgelos is.
- (d) Die munisipaliteit moet die aangeleentheid binne 10 werksdae na ontvangs van so 'n versoek oplos en die betrokke verbruiker van die uitslag van 'n ondersoek verwittig.
- (e) Versuim om voor of op die betaaldatum die bedrag soos bepaal in subparagraaf (1)(b) of (c) te betaal, kan meebring dat die verbruiker se dienste beperk of afgesluit sal word.

(2) *Dispute:*

- (a) 'n Verbruiker mag 'n dispuut aanteken oor enige gedeelte of die totale rekening wat ontvang is, in welke geval Artikel 102 van die Wet van toepassing sal wees.
- (b) Die bepalinge van subparagraaf (1)(b) en (c) is van toepassing met die nodige veranderinge in die geval van 'n dispuut.

(3) *Appèl:*

- (a) 'n Persoon wat veronreg voel deur 'n besluit van die munisipaliteit ingevolge gedelegeerde gesag mag appèl aanteken teen daardie besluit deur ingevolge Artikel 62 van die Wet binne 21 dae na die datum van kennisgewing oor die besluit skriftelik aan die munisipale bestuurder kennis te gee van die appèl.
- (b) Die redes vir die appèl moet duidelik deur die gegriefde persoon uiteengesit word; en
- (c) Waar van toepassing, moet die gelde vir die toets van enige meettoestel ingesluit word.

6. Betaalfasiliteite

- (1) Die munisipaliteit sal strategies geleë toeganklike betaalkantore en kassiersbetaalpunte regoor sy regsgebied voorsien en in stand hou.
- (2) Die volgende alternatiewe betaalfasiliteite sal ook voorsien word of beskikbaar wees—
 - (a) elektroniese bankoordragte (A.C.B.-stelsel);
 - (b) internetoordragte;
 - (c) regstreekse deponering van geld in die munisipaliteit se goedgekeurde bankrekening;

- (d) betalings by verskillende geakkrediteerde besigheidsondernemings en ander agentskappe.

(3) Waar van enige van die alternatiewe betaalfasiliteite gebruik gemaak word, berus die onus op die persoon wat van sodanige fasiliteite gebruik maak om bewys van betaling te lewer en aanvaar die munisipaliteit nie aanspreeklikheid vir nie-ontvangs van sodanige betalings of vir foutiewe toewysings nie indien sodanige foutiewe toewysings te wyte is aan 'n fout deur sodanige persoon.

(4) Waar die betaling van die gelde wat verskuldig is by wyse van regstreekse deposito in die munisipaliteit se goedgekeurde bankrekening gedoen word, moet die verbruiker nie later nie as die betaaldatum bewys van die deposito indien.

7. Konsolidasie van rekenings en toewysing van betalings

- (1) Ingevolge Artikel 102 van die Wet beskou die munisipaliteit alle afsonderlike rekenings van 'n verbruiker as gekonsolideer, ongeag die feit dat afsonderlike rekenings gelewer kan word en sluit alle voorafbetaalde dienste waarvoor geen rekening gelewer word nie, in.
- (2) Betalings wat deur die munisipaliteit ontvang word, sal toegewys word soos jaarliks tydens die begroting bepaal.
- (3) Betalings wat ontvang word, sal toegewys word in terme van oudste skuld eerste ten einde verjaring van skuld te stuit of paalementsgegewys soos jaarliks deur die raad bepaal.

HOOFSTUK 3:

KREDIETBEHEER- EN SKULDINVORDERINGSMAATREËLS

8. Aansoek vir munisipale dienste

- (1) Niemand mag sonder goedkeuring van die munisipaliteit munisipale dienste ontvang of verbruik nie.
- (2) Die munisipaliteit mag ingevolge spesiale ooreenkomste dienste aan verbruikers lewer waar omstandighede spesiale maatreëls vereis.
- (3) 'n Verbruiker wat munisipale dienste wil ontvang of gebruik, moet skriftelik aansoek doen op die voorgeskrewe vorm vir goedkeuring ingevolge paragraaf 8(1).
- (4) Waar die verbruiker nie die eienaar van die betrokke eiendom is nie, moet die eienaar skriftelik toestemming verleen tot die lewering van munisipale dienste soos versoek.
- (5) Na goedkeuring van 'n aansoek om die voorsiening van dienste moet die munisipaliteit die aansoeker verwittig van—
 - (a) die verskillende vlakke of standaarde van dienste en die toepaslike tariewe of gelde wat ten opsigte van elke vlak van diens betaalbaar is;
 - (b) die datum vir die betaling van alle bedrae wat aan die munisipaliteit verskuldig is;
 - (c) die diensure van kassiere waar betalings gemaak kan word en die voorwaardes vir betaling by verkooppunte;

- (d) die verskillende alternatiewe betaalfasiliteite en die voorwaardes en vereistes ten opsigte daarvan;
 - (e) die munisipaliteit se reg om water- of elektrisiteitsdienste te beëindig of te beperk in geval van nie-betaling van 'n rekening **(of enige gedeelte daarvan)** of peustering met munisipale meettoerusting;
 - (f) die verbruiker se verantwoordelikheid vir enige skade wat aan meettoerusting of ander munisipale eiendom aangerig word;
 - (g) sy of haar verpligting om vir dienste te betaal ten spyte van die moontlike nie-lowering van 'n rekening;
 - (h) die munisipaliteit se reg om rekenings van die verbruiker te konsolideer;
 - (i) die munisipaliteit se reg om 'n meter vir voorafbetaalde dienste te installeer op 'n eiendom waar die elektrisiteitsvoorsiening as gevolg van nie-betaling of peustering afgesluit is in welke geval die meter die eiendom van die munisipaliteit bly;
 - (j) die munisipaliteit se reg om 'n water aanvraag bestuurmeter aan te bring by eiendom as gevolg van wanbetaling of peustering met toerusting in welke geval die meter die eiendom van die munisipaliteit bly;
 - (k) die reg om eenhede wat vir voorafbetaalde meters gekoop is terug te hou of te beperk of om 'n gedeelte van enige betaling te verreken teen agterstallige bedrae as gevolg van die nie-betaling van bedrae wat aan die munisipaliteit verskuldig is;
 - (l) die munisipaliteit se reg om rente te hef op bedrae wat nie teen die betaaldatum vereffen is nie, soos uiteengesit op 'n rekening;
 - (m) die munisipaliteit se reg op beslaglegging van roerende en onroerende eiendom;
 - (n) die munisipaliteit se hulp aan hulpbehoewendes; en
 - (o) die munisipaliteit se handves vir kliëntediens.
- (6) Die munisipaliteit sal slegs verplig wees om 'n spesifieke vlak van munisipale dienste wat versoek is te lewer—
- (a) indien dit reeds in die gewone verloop van sake deur die munisipaliteit gelewer word; en
 - (b) indien die munisipaliteit die middele en kapasiteit besit om sodanige vlak van diens te lewer.
- (7) 'n Verbruiker mag te eniger tyd aansoek doen om die vlak van munisipale dienste wat aanvanklik goedgekeur is te verander met dien verstande dat die vlak van diens wat versoek word, beskikbaar is en dat die koste en betalings met betrekking tot sodanige verandering deur die persoon gedra word.
- (8) In die geval van 'n ongeletterde of diensooreenkomstig gestremde persoon, moet die munisipaliteit seker maak dat die persoon bewus is van, en die inhoud van 'n aansoekvorm begryp en dat hy of sy bygestaan word met die voltooiing daarvan.
- (9) Indien die munisipaliteit—

- (a) 'n aansoek vir die voorsiening van munisipale dienste of 'n spesifieke diens of vlak van diens weier; of
- (b) nie in 'n posisie is om sodanige munisipale diens of vlak van diens op die datum waarop dit versoek word, te lewer nie;
- (c) nie in 'n posisie is om hoegenaamd sodanige munisipale diens of vlak van diens te lewer nie;

moet die munisipaliteit die aansoeker verwittig van sodanige weiering of onvermoë om die diens te lewer sowel as die redes daarvoor.

(10) 'n Goedkeuring vir die verskaffing van dienste of enige onderneming of reëling ingevolge hierdie beleid kom nie neer op 'n kredietfasiliteit wat beoog word ingevolge artikel 8(3) van die Nasionale Kredietwet nie, maar word beskou as toevallige krediet soos beoog ingevolge artikel 4(6)(b) gelees saam met artikel 5(2) en (3) van die Nasionale Kredietwet, 2005.

9. Aanspreeklikheid vir betaling

- (1) 'n Verbruiker wat die dienste wat deur die munisipaliteit aangebied of gelewer word ingevolge sy funksies soos gelys in Bylae 4B en 5B van die Grondwet ontvang, gebruik of daaruit voordeel trek, is verantwoordelik vir die betaling van enige gelde wat aan die munisipaliteit verskuldig en betaalbaar is ten opsigte van sodanige verbruik of voordeel.
- (2) Indien diensteheffings om enige rede nie gehef is nie, is die munisipaliteit geregtig om 'n rekening te lewer vanaf die datum waarop sodanige eiendom by die Aktekantoor geregistreer is.
- (3) Huurgeld ten opsigte van die verhuring van staatsgefinansierde behuising en ander munisipale eiendom, is betaalbaar deur—
 - (a) die persoon met wie die huurooreenkoms gesluit is; of
 - (b) die persoon wat aansoek gedoen het om die perseel te huur, ingeval geen huurooreenkoms aangegaan is nie; of
 - (c) indien geen sodanige persoon geïdentifiseer kan word nie, die hoof van die huishouding wat so 'n perseel okkupeer; of
 - (d) enige ander persoon wat verantwoordelikheid aanvaar vir die betaling van huurgeld wat verskuldig is, ongeag of so 'n persoon die perseel okkupeer al dan nie.
- (4) 'n Persoon met wie 'n leningsooreenkoms of skuldakte gesluit is, is verantwoordelik vir die terugbetaling van behuisinglenings.
- (5) Waar 'n rekening nie ten volle vereffen word nie, sal enige mindere bedrag wat aangebied word en deur die munisipaliteit aanvaar word, nie geag word as volle en finale betaling van sodanige rekening te wees nie, tensy die munisipale bestuurder die betaling van sodanige mindere bedrag skriftelik aanvaar as die volle en finale betaling van die betrokke rekening.
- (6) Die nie-lowering van 'n rekening of 'n fout of weglating op 'n rekening sal nie 'n verbruiker vrystel van die betaling van enige bedrae wat aan die munisipaliteit verskuldig is nie.

10. Betaaldatum

Rekenings vir eiendomsbelastings of dienste wat deur die munisipaliteit aangebied of gelewer is, word soos volg verskuldig en betaalbaar—

(1) *Eiendomsbelastings:*

- (a) eiendomsbelastings word verskuldig en betaalbaar op 1 Julie van elke jaar waarvoor sodanige eiendomsbelasting bepaal word;
- (b) die munisipaliteit verhaal die eiendomsbelasting wat gehef word in twaalf gelyke paaielemente, wat betaalbaar sal wees op die datum soos op die rekeningstaat aangedui;
- (c) deur vooraf reëling sal die munisipaliteit die eiendomsbelasting wat gehef word, as 'n enkele bedrag verhaal, welke bedrag betaalbaar is op die datum soos bepaal deur die munisipaliteit en ten opsigte van jaarlikse betalings, einde van Oktober van die jaar waarin die bedrag gehef word;
- (d) waar eiendom na 1 Julie van die finansiële jaar van die munisipaliteit belasbaar word, sal die eiendomsbelasting wat gehef word, verskuldig en betaalbaar wees op die datum van kennisgewing aan sodanige eienaar van sy of haar aanspreeklikheid vir die betaling daarvan;
- (e) die bepalinge van subparagraaf (b) en (c) sal van toepassing wees met die nodige veranderinge ten opsigte van belastinge wat ingevolge subparagraaf (d) gehef word;
- (f) aansoeke om eiendomsbelastinge as 'n enkelbedrag te betaal, kan voor 31 Mei van elke jaar by die munisipaliteit ingedien word.

(2) *Beskikbaarheidsgelde:*

- (a) beskikbaarheidsgelde word verskuldig en betaalbaar op 1 Julie van elke jaar waarvoor sodanige gelde bepaal word;
- (b) die munisipaliteit sal die beskikbaarheidsgelde wat gehef word, in twaalf gelyke paaielemente verhaal, wat betaalbaar sal wees voor of op die laaste werksdag van elke maand ten opsigte waarvan sodanige betaling gemaak moet word;
- (c) waar die gelde na 1 Julie van 'n boekjaar betaalbaar word, sal die gelde verskuldig en betaalbaar word op die datum van kennisgewing aan sodanige eienaar van sy of haar aanspreeklikheid vir die betaling daarvan.

(3) *Munisipale dienste:*

Gelde wat ten opsigte van munisipale dienste betaalbaar is, is verskuldig en betaalbaar op die datum wat as sodanig aangedui word op die rekening wat elke maand gelewer word en betaling moet gedoen word voor of op die laaste werksdag van die maand waarin sodanige rekening gelewer is.

(4) *Huurgeld of leningspaaielemente:*

Die betaling van huurgeld of leningspaaielemente verskuldig ten opsigte van staatsgefinansierde behuising of ander munisipale eiendom, moet gedoen word op die datums en in ooreenstemming met die bepalinge vervat in die betrokke huur- of leningsooreenkomste.

(5) *Ander gelde of paaielemente:*

Die betaling van gelde anders as die bedrae genoem in subparagraaf (1) tot (5) moet geskied op die datum aangedui op die rekening, welke datum nie meer as 30 dae na die lewering van die spesifieke diens sal wees nie.

11. Agterstallige rekenings

(1) *Eiendomsbelasting:*

- (a) waar eiendomsbelasting wat as 'n enkelbedrag betaalbaar is, na die betaaldatum onbetaal bly, moet die Direkteur: Finansiële Dienste 'n skriftelike kennisgewing beteken aan die eienaar van die eiendom waarin die eienaar aangesê word om die verskuldigde bedrag binne 14 dae vanaf die datum van die kennisgewing te betaal.
- (b) indien die eienaar versuim om die kennisgewing, soos genoem in subparagraaf (a), te gehoorsaam, moet die Direkteur: Finansiële Dienste, onderworpe aan die bepalinge van paragraaf 15, geregtelike stappe instel om sodanige eiendomsbelasting te verhaal.
- (c) indien 'n eienaar, wat eiendomsbelasting in maandelikse paaielemente betaal, in verstek raak met betalings, moet die Direkteur: Finansiële Dienste deur middel van skriftelike kennisgewing sy of haar reg om belastinge in maandelikse paaielemente te betaal, terugtrek. In so 'n geval word die volle uitstaande bedrag ten opsigte van eiendomsbelasting onmiddellik verskuldig en betaalbaar.
- (d) indien eiendomsbelasting wat in maandelikse paaielemente betaalbaar is, na die verstryking van 'n tydperk van 12 maande na die datum waarop sodanige eiendomsbelasting verskuldig en betaalbaar geword het, nie ten volle betaal is nie, moet die Direkteur: Finansiële Dienste optree ingevolge subparagrafe (a) en (b).
- (e) die bepalinge van subparagrafe (a) en (b) sal van toepassing wees ten opsigte van die verhalings van eiendomsbelastinge soos beoog in subparagraaf (c).

(2) *Beskikbaarheidsgelde:*

Die bepalinge van subartikels (c) en (d) is met die nodige aanpassings van toepassing op 'n eienaar wie in verstek raak met betaling van beskikbaarheidsgelde.

(3) *Munisipale Dienste:*

- (a) Indien 'n verbruiker versuim om op die betaaldatum enige bedrag, of gedeelte daarvan wat aan die munisipaliteit verskuldig is te betaal, mag die munisipaliteit—
 - (i) die elektrisiteitsvoorsiening na die betrokke perseel afsluit;
 - (ii) die voorsiening van water na sodanige perseel beperk deur 'n water aanvraag bestuurmeter op die diensaansluiting te installeer, wat minstens 6 kiloliter water per maand sal deurlaat, of soos toegelaat deur sodanige bestuurmeter;

- (iii) 'n voorafbetaal meter installeer waar die voorsiening van elektrisiteit weens nie-betaling afgesluit is;
- (iv) eenhede wat vir 'n vooraf betaal meter gekoop word terughou of beperk, of 'n gedeelte van enige betaling verreken teen bedrae wat agterstallig is weens die nie-betaling van bedrae wat aan die munisipaliteit verskuldig is.
- (b) Kennisgewing aan 'n verbruiker in verband met enige agterstallig rekening of uitstaande skuld mag via direkte elektroniese media geskied wat insluit, maar nie beperk is nie tot : e-pos, SMS of ander beskikbare metodes van elektroniese kommunikasie;
- (c) Die munisipaliteit mag 'n ooreenkoms aangaan met 'n verbruiker wat nie in staat is om sy of haar rekening of 'n gedeelte daarvan te betaal nie, ingevolge waarvan hy of sy toegelaat sal word om die uitstaande bedrag in maandelikse paaielemente af te betaal soos jaarliks deur die raad bepaal.
- (d) Waar van toepassing, kan die munisipaliteit ingevolge artikel 103 van die Wet 'n ooreenkoms met die verbruiker se werkgever aangaan.
- (e) Indien daar versuim word om aan die bepalings in subparagraaf (c) of (d) te voldoen, kan die munisipaliteit die ooreenkoms kanselleer en enige stappe vir skuldinvordering waarvoor in paragraaf (2)(a) voorsiening gemaak word, instel.
- (f) Indien 'n rekening aan 'n verbruiker gelewer word waarvan die betaalbare bedrag uitsonderlik hoog is as gevolg van—
 - (i) 'n handeling of versuim aan die kant van die munisipaliteit; of
 - (ii) 'n lekkasie van water uit 'n waterpypleiding of 'n elektrisiteitsinstallasie op die perseel wat nie deel vorm van die munisipaliteit se diensaansluiting nie;
 kan die munisipaliteit 'n ooreenkoms met die verbruiker aangaan om die verskuldigde bedrag in maandelikse paaielemente af te betaal.
- (g) Indien agterstallige bedrae ten opsigte van munisipale dienste vir 'n tydperk van meer as 30 dae na die betaaldatum verskuldig is, en geen ooreenkoms soos beoog in subparagraaf (c) aangegaan is nie, moet die Direkteur: Finansiële Dienste, onderworpe aan die bepalings van paragraaf 15 geregtelike stappe teen die verbruiker instel om die skuld te verhaal.
- (4) *Huurgeld of leningspaaielemente:*
 - (a) Rente wat op agterstallige huurgeld of leningspaaielemente betaalbaar is, sal hef word ooreenkomstig die voorwaardes vervat in sodanige huur- of leningsooreenkoms.
 - (b) Waar huurgeld of leningspaaielemente nie voor of op die betaaldatum saam met die rente betaal word nie, sal 'n brief van aanmaning gestuur word aan die persoon wat verantwoordelik is vir betaling.

- (c) Die munisipaliteit mag 'n ooreenkoms aangaan om die agterstallige bedrae in maandelikse paaielemente te betaal, onderworpe aan die voorwaardes vervat in subparagraaf 2(b), welke voorwaardes met die nodige veranderinge van toepassing sal wees.
- (d) Indien 'n ooreenkoms om die agterstallige bedrae te betaal nie aangegaan is nie, en sodanige agterstallige bedrae meer as 30 dae uitstaande is, moet die Direkteur: Finansiële Dienste die stappe neem soos uiteengesit in subparagraaf (2).
- (5) *Ander gelde of paaielemente:*
Die bepalings van paragraaf (4) is met die nodige veranderinge van toepassing.

12. Heffing van rente

- (1) Rente teen die standaardkoers **sal** hef en gevorder word ten opsigte van alle verskuldigde en betaalbare bedrae vir elke maand wat die bedrae agterstallig is, met dien verstande dat vir die doel van die berekening, 'n gedeelte van 'n maand geag word as 'n maand te wees.
- (2) Rente word hef vanaf die dag wat volg op die datum waarop die agterstallige bedrae betaalbaar geword het.
- (3) Kwytstelling van sodanige rente kan gemagtig word deur die Direkteur: Finansiële Dienste, Munisipale Bestuurder in oorleg met die Interne Ouditeur en Uitvoerende Burgemeester.

13. Afsluiting en heraansluiting van dienste

- (1) Dienste wat ingevolge paragraaf 8(1) afgesluit is, sal slegs heraangesluit word na die betaling van—
 - (a) die agterstallige bedrae tesame met rente of volgens 'n ooreenkoms vir die afbetaling daarvan indien 'n ooreenkoms ooreenkomstig paragraaf 8(2)(b) aangegaan is;
 - (b) die heraansluitingsgelde;
 - (c) enige ander gelde soos bepaal ooreenkomstig die tariefbeleid van die munisipaliteit.

(2) **Die heraansluiting van dienste sal slegs gedoen word nadat bewys van betaling aan die munisipaliteit gelewer word.**

- (3) Dienste wat ooreenkomstig paragraaf 21 afgesluit is, sal slegs na betaling van die volgende heraangesluit word—
 - (a) die heraansluitingsgelde;
 - (b) die koste van skade aan toerusting;
 - (c) die koste van die vervanging van beskadigde toerusting; en
 - (d) enige ander gelde soos bepaal in die tariefbeleid van die munisipaliteit.
- (4) In die geval van nie-betaling of peutering met meettoerusting sal geen bystandsdienste vir die heraansluiting van dienste gelewer word nie.

14. Betaling van verbruikersdienste deposito's

(1) 'n Verbruiker, soos bedoel in paragrawe (b) en (c) van die definisie van "verbruiker" in artikel 1 van hierdie verordening, wat aansoek doen vir die lewering van munisipale dienste, moet 'n deposito, soos bepaal deur die munisipaliteit, betaal voor die verlangde dienste gelewer word.

(2) Die munisipaliteit mag die deposito verhoog waar 'n verbruiker soos bedoel in sub paragraaf (1) versuim om sy volle uitstaande skuld vir munisipale dienste te betaal of waar dienste afgesluit word of beperk word ooreenkomstig paragraaf 11(2).

(3) Die verhoging sal gelykstaande wees aan die gemiddelde verbruik oor 'n tydperk van 12 maande.

(4) Wanneer 'n verbruiker soos bedoel in subartikel (1) van een perseel binne die regsgebied van die munisipaliteit na 'n ander perseel binne die regsgebied verhuis, kan die deposito verhoog word indien sodanige verhuising 'n hoër deposito vereis.

(5) Wanneer dienste op versoek van 'n verbruiker beëindig word, of wanneer rekenings oorgeskakel word ingevolge paragraaf 4, mag die deposito gebruik word om bedrae wat deur die verbruiker verskuldig is te delg en die orige gedeelte, indien enige, sal terugbetaal word.

(6) Die munisipaliteit kan te eniger tyd enige deposito ingevolge sub paragraaf (1) verhoog, welke verhoging gelykstaande sal wees aan die gemiddelde verbruik oor 'n tydperk van 12 maande.

(7) Die munisipaliteit is nie aanspreeklik vir die betaling van rente op deposito's wat gehou word nie.

15. Instelling van geregtelike stappe

- (1) Die instelling van geregtelike stappe sluit in, maar is nie beperk nie tot—
 - (a) dagvaarding vir betaling van agterstallige bedrae;
 - (b) die beslaglegging van huur betaalbaar op 'n eiendom waar van toepassing;
 - (d) die beslaglegging op 'n verbruiker se vergoeding;
 - (e) die beslaglegging en verkoop in eksekusie van roerende eiendom;
 - (f) die beslaglegging en verkoop in eksekusie van onroerende eiendom;
 - (g) die uitsetting van 'n okkupeerder vanaf munisipale eiendom.
- (2) Die instelling van geregtelike stappe moet geneem word met inagneming van alle wetlike vereistes en die nakoming van die toepaslike regulasies en reëls.
- (3) Indien skuld minder as R500 en 150 dae of ouer is, kan die Direkteur: Finansiële Dienste besluit of—
 - (a) 'n rekening vir invordering oorhandig moet word; of
 - (b) geregtelike stappe teen hom of haar ingestel moet word.
- (4) Die Direkteur: Finansiële Dienste kan bepaal, indien die skuld meer is as R500 en ouer is as 150 dae, welke van die geregtelike stappe wat in subparagraaf (1) genoem word, die mees aangewese en doeltreffende stap vir elke geval sal wees.

16. Afskrywing van agterstallige skuld

Die Direkteur: Finansiële Dienste kan aanbeveel dat agterstallige skuld afgeskryf word nadat al die beskikbare stappe geneem is om uitstaande bedrae in te vorder, met dien verstande dat 'n lys van oninbare skuld minstens kwartaalliks aan die Uitvoerende Burgemeesterskomitee voorgelê word en dat die redes vir die afskrywings gemotiveer word.

HOOFSTUK 4: ALGEMENE BEPALINGS

17. Koste van invordering

Alle regskostes, invorderingskommissies en enige ander uitgawes wat deur die munisipaliteit aangegaan word om gelde wat deur 'n verbruiker verskuldig is in te vorder, sal teen sy of haar rekening gedebiteer word en van hom of haar verhaal word.

18. Gedishonoreerde betalings

- (1) Die munisipaliteit sal koste- en administrasiefooe op die rekening van 'n verbruiker hef indien enige betaling deur middel van 'n verhandelbare instrument deur 'n bank gedishonoreer word.
- (2) Indien 'n betaling per tjek vir die derde keer binne 'n finansiële jaar deur die bank gedishonoreer word, sal betalings per tjek nie verder aanvaar word nie.

19. Toegang tot persele

Gemagtigde amptenare van die munisipaliteit of 'n diensverskaffer sal gedurende alle redelike ure toegang hê tot persele met die doel om hierdie beleid te implementeer en sodanige amptenaar moet die nodige identifikasie beskikbaar stel indien daartoe versoek

20. Veilige akkommodasie van diensaansluitings en apparaat

'n Verbruiker sal verantwoordelik wees vir die veilige akkommodasie van enige diensaansluitings, meters, afsluitkrane, sowel as diensbeveiligingstoestelle en -toerusting op hulle persele en sal aanspreeklik wees vir enige kostes of verliese of skade wat die munisipaliteit ten opsigte daarvan mag aangaan of ly.

21. Ongemagtigde gebruik van dienste

- (1) 'n Verbruiker wat—
 - (a) munisipale dienste gebruik of toegang daartoe verkry sonder goedkeuring in ooreenstemming met paragraaf 8(1); of
 - (b) met enige seël of enige toestel of toerusting wat geïnstalleer is om dienste te meet, te verskaf of te beperk, peuter, dit breek of beskadig, sal aanspreeklik gehou word vir betaling vir enige ongemagtigde verbruik van dienste.

(2) Die munisipaliteit het die reg om water- of elektrisiteitsvoorsiening af te sluit na persele—

(a) indien sodanige dienste gebruik word sonder goedkeuring soos beoog in subparagraaf (1)(a); en

(b) indien meettoerusting opsetlik beskadig is of mee gepeuter is soos beoog in subparagraaf (1)(b).

(3) 'n Verbruiker wat met enige toestel of toerusting peuter of dit beskadig, soos beoog in subparagraaf (b), sal aanspreeklik gehou word vir die kostes soos beoog in paragraaf 13(2) sonder benadeling van die munisipaliteit se reg om geregtelike stappe te neem.

(4) In die geval van peutering met of beskadiging van enige meettoerusting sal die eienaar van die perseel geag word verantwoordelik te wees vir sodanige peutering of beskadiging tensy die teendeel deur hom of haar bewys word.

22. Ondertekening en sertifisering van dokumente

'n Bevel, kennisgewing of ander dokument wat deur die munisipaliteit onderteken of gesertifiseer moet word, word geag behoorlik onderteken en gesertifiseer te wees indien dit deur die munisipale bestuurder of 'n behoorlik gemagtigde amptenaar van die munisipaliteit gedoen is.

23. Prima facie-getuienis

In regsdinge wat deur die munisipaliteit aanhangig gemaak word, kan die blote voorlegging van 'n sertifikaat wat die bedrag verskuldig en betaalbaar aan die munisipaliteit reflekteer, en onderteken deur die munisipale bestuurder of deur 'n gemagtigde amptenaar, deur die hof aanvaar word as *prima facie*-getuienis dat die bedrag verskuldig is.

24. Uitklaringssertifikaat

(1) Met die verkoop van enige eiendom sal die munisipaliteit die vereiste uitklaringssertifikaat ingevolge artikel 118(1) van die Wet terughou tot alle bedrae wat met betrekking tot daardie eiendom vir munisipale dienste, bykomende bedrae, eiendomsbelasting en ander munisipale belastinge, heffings en belastinge verskuldig geword het gedurende die twee jaar voor die datum van aansoek om die sertifikaat, ten volle betaal is.

(2) Alle betalings sal aan die verkoper se munisipale rekenings toegewys word en alle terugbetalings sal aan sodanige verkoper gedoen word.

(3) Geen rente sal met betrekking tot sodanige betalings betaal word nie.

(4) Die uitklaringssertifikaat is vir 'n tydperk van 60 dae geldig en die bedrag wat verskuldig is, sal soos volg bereken word—

(a) aansoeke wat op 30 Junie ontvang word, moet 3 (drie) maande se vooruit betalings insluit;

(b) aansoeke wat op 1 Julie ontvang word, moet die volgende insluit—

(i) eiendomsbelastinge en beskikbaarheidsheffings vooruit vir die volle boekjaar; en

(ii) 3 (drie) maande se vooruit betalings vir water, elektrisiteit, riool en vullisverwydering.

(c) alle ander aansoeke sal 3 (drie) maande se vooruit betalings insluit.

(5) Betalings met betrekking tot subparagraaf (a) tot (c) sal alle uitstaande skuld op die eiendom insluit.

(6) Ingevolge artikel 118(3) van die Wet is 'n bedrag verskuldig vir munisipale dienste, bykomende bedrae, eiendomsbelastinge en ander munisipale belastinge en heffingsgelde 'n heffing teen die eiendom in terme waarvan die bedrag verskuldig is en voorkeur geniet bo enige verband wat teen die eiendom geregistreer is.

(7) Die verskuldigde bedrag sal vir die rekening van die geregistreerde eienaar wees, ongeag wie die skuld aangegaan het.

(8) Die munisipaliteit kan, nadat 'n toepaslike hofbevel verkry is, enige eiendom in eksekusie verkoop om uitstaande skuld te verhaal.

HOOFSTUK 5: DEERNISONDERSTEUNING

25. Kriteria vir finansiële bystand aan hulpbehoewendes

(1) Die munisipaliteit kan finansiële bystand verleen aan 'n eienaar van eiendom wat aan die volgende kriteria voldoen—

(a) waar die eiendom wat deur die eienaar bewoon word teen R95 000.00 of minder gewaardeer word, of soos jaarliks deur die raad bepaal, met dien verstande dat die vrystelling van R15 000.00 soos beoog in artikel 17(1)(h) van die Wet uitgesluit sal wees van die R95 000.00 en die gekombineerde inkomste van al die persone wat op die eiendom woon, nie R4 515.00 oorskry nie; of

(b) waar die eiendom wat deur die eienaar bewoon word teen meer as R95 000.00 gewaardeer word, maar die gekombineerde inkomste van al die persone wat op die eiendom woon, nie R4 515.00 oorskry nie; of

(c) waar die okkupeerder nie die eienaar van 'n eiendom is nie en die gekombineerde inkomste van al die persone wat op die eiendom woon, nie R4 515.00 oorskry nie.

(2) Waar die eienaar van 'n eiendom oorlede is of onopspoorbaar is, kan finansiële bystand voorsien word indien die gekombineerde inkomste van al die persone wat op die eiendom woon, nie R4 515.00 oorskry nie.

(3) Geeneen van die persone wat op 'n eiendom genoem in subparagrafe (a) tot (c) woon, mag ander onroerende eiendom besit nie.

(4) Die Direkteur: Finansiële Dienste mag die inkomsteperk in sub paragraaf (c) verhoog in gevalle waar buitengewone omstandighede voorkom, byvoorbeeld—

(a) waar 'n groot getal persone wat op die perseel woon sonder enige inkomste is; of

- (b) waar hulle moet sorg vir afhanklikes of familieledes wat aan chroniese of terminale siektes of gestremdheid ly.
- (5) Daar moet aan die Uitvoerende Burgemeesterskomitee verslag gedoen word oor die diskresionêre verhoging, waar van toepassing.

26. Toewysing van finansiële hulp

- (1) Onderworpe aan die volhoubaarheid en bekostigbaarheid daarvan sal finansiële bystand aan 'n hulpbehoewende as volg toegeken word–
- 50 kWh elektrisiteit per maand;
 - sanitasieheffings of die gelde betaalbaar ten opsigte van die pomp van 'n suigtenk tot 'n bedrag gelyk aan die vasgestelde tarief;
 - afvalverwyderingsheffings;
 - 8 kl water per maand;**
 - eiendomsbelasting betaalbaar tot 'n maksimum bedrag wat bereken is teen die tarief vermenigvuldig met **R80 000,00.**
- (2) Die ongebruikte gedeeltes van die 50 kW elektrisiteit en **8 kl** water sal nie oordraagbaar wees van een maand na 'n volgende nie, **met dien verstande dat die 8 kl water jaarliks sal verminder tot en met 6kl.**
- (3) Die munisipaliteit moet die finansiële hulp wat aan hulpbehoewendes verleen word jaarliks gedurende die begrotingsproses hersien.
- (4) Waar 'n voorafbetaalde elektrisiteitsmeter op 'n perseel wat deur 'n hulpbehoewende bewoon word, geïnstalleer is, en die elektrisiteitsaansluiting tot 20 ampère beperk is, sal sodanige hulpbehoewende eweneens in aanmerking kom vir finansiële bystand ten opsigte van die gebruik van elektrisiteit tot die mate soos bepaal in subparagraaf (1)(a), met dien verstande dat krediet wat op sodanige rekening verwerf is, gebruik sal word vir die vereffening van eiendomsbelasting wat verskuldig is of vir bedrae wat ten opsigte van enige ander munisipale dienste verskuldig is.

27. Kansellasië van finansiële hulp

- (1) Die Direkteur: Finansiële Dienste kan die finansiële omstandighede van 'n hulpbehoewende te eniger tyd ondersoek en kan–
- dokumentêre bewys of inligting met betrekking tot die inkomste of leefstyl van persone wat op die eiendom woon, versoek;
 - die inligting wat deur 'n huishouding of 'n lid van die huishouding verstrekk is, verifieer deur onderhoude te voer met en verklarings te neem van sodanige lede of enige ander persoon;
 - na behoorlike kennisgewing, die huishouding se finansiële bystand hersien of kanselleer indien–
 - onwettige praktyke op die perseel plaasvind wat insluit, maar nie beperk is nie tot–
 - bouwerk sonder goedkeuring;

- sake- of kommersiële gebruike teenstrydig met die Stadsbeplanning Skemaregulasies;
 - handeldryf in drank of verbode middels; of
 - valse inligting verstrekk is in 'n poging om finansiële bystand te kry of te behou;
 - omstandighede tot so 'n mate verander het dat die hulpbehoewende nie meer aan een of meer van die vereistes in paragraaf 25 genoem, voldoen nie;
 - enige stappe neem om onwettige toegang tot finansiële hulp as 'n hulpbehoewende te verhoed.
- (2) In geval van kansellasië van finansiële bystand ingevolge subparagraaf (1)(c), sal die hulpbehoewende onmiddellik alle finansiële bystand verbeur en die munisipaliteit sal geregtig wees om die finansiële bystand wat aan hom of haar toegestaan is terug te eis–
- vanaf die datum waarop dit oorspronklik verleen is in gevalle waar subparagraaf (1)(c)(i) van toepassing is; of
 - vanaf die datum waarop die omstandighede waarna in subparagraaf (1)(c)(ii) verwys word, verander het, of indien sodanige datum nie bepaal kan word nie, vanaf die datum waarop daar vasgestel is dat die huishouding nie meer aan die vereistes vir kwalifisering voldoen het nie.
- (3) 'n Hulpbehoewende wie se deernisondersteuning gekanselleer is, sal volgens die diskresie van die Direkteur: Finansiële Dienste heroorweeg word vir ondersteuning indien die omstandighede wat tot kansellasië gelei het, uit die weg geruim is.

SWARTLAND MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION BY-LAW

Under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996, the Swartland Municipality enacts as follows-

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SCHEDULE : CREDIT CONTROL AND DEBT COLLECTION POLICY

1. Definitions

In this by-law, the English text prevails in the event of any conflict with the Afrikaans text, and, unless the context otherwise indicates-

“account” includes-

- (a) levies, surcharges, service charges and availability charges in respect of the following services-
- (b) electricity supply;
- (c) water supply;
- (d) refuse removal;
- (e) sewerage services;
- (f) rates;
- (g) rental;

- (h) loan instalments
 - (i) interest on arrears; and
 - (j) any other levies and monies due and payable to the municipality;
- and **“municipal account”** has a corresponding meaning;

“Act” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

“arrears” means any amount due and payable to the municipality which has not been paid on or before the date of payment;

“availability charges” means charges that may be levied against immovable property with or without improvements, which is not connected to any municipal service works where such property can be reasonably so connected;

“consumer”

- (a) with effect from 1 July 2015 and with regard to property zoned for residential purposes, the owner of the property shall be regarded as the consumer, irrespective of who the tenant or occupier is, provided that where a lease agreement in respect of such property exists on 1 July 2015, the tenant or occupier shall still be regarded as the consumer until expiration of the agreement, subject to the provisions of paragraphs 4(3) and (4)(4) of the policy;
- (b) with regard to any other property, the person who receives or uses municipal services or benefits there from; and
- (c) with regard to municipal property that is leased, the person who receives or uses municipal services or benefits there from;

“council” means the municipal council of the municipality of Swartland;

“debt” means any monies owing to the municipality in respect of the rendering of municipal services, and includes monies owing in regard to property rates, housing, motor vehicle registration and licensing, terminated leases, and any other outstanding amounts, inclusive of any interest thereon, owing to the Municipality;

“default”

- (a) if, at the end of a financial year of the municipality, an owner owes the municipality any amount of money in respect of rates or availability charges; or
- (b) if, after 31 October of a year, an owner is in arrears with payment of rates; or
- (c) where an owner is in arrears for a period of 60 days or more with payments for availability charges;

“due date” means the final date on which payment, as shown on the municipal account, must be made;

“illegal practises” any practise or trade exercised on premises which is in contravention of any National or Provincial legislation or any by-laws or regulations of the municipality;

“indigent ” means a person or household as contemplated in paragraph 25 of this policy;

“financial year” means the period from 1st July until 30th June of each year;

“municipal manager” means the person appointed in that capacity by the council in terms of section 54A of the Act;

“municipal services” means *“municipal services”* as defined in section 1 of the Act, and includes a function or a combination of functions listed in Schedules 4B and 5B of The Constitution of the Republic of South Africa, 1996, and any other service rendered by the municipality;

“municipality” means the municipality of Swartland and includes any delegated official or service provider of the municipality;

“occupier” means any person who occupies or has control over any premises;

“owner”

- (a) in relation to property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure;

provided that a person mentioned below shall for the purposes of this by-law be regarded by the municipality as the owner of a property in the following cases–

- (i) a trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator in a deceased estate;
- (iii) a trustee or liquidator in an insolvent estate or in liquidation;
- (iv) a judicial manager in the estate of a person under judicial management;
- (v) a curator in the estate of a person under curatorship;
- (vi) a usufructuary or other person in whose name a usufruct or other personal servitude is registered that is subject to a usufruct or other personal servitude;
- (vii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (e) in any event where the council is unable to determine the identity of such a person, the person who is entitled to the beneficial use of such immovable property;
- (f) in the event of immovable property in respect of which a lease agreement of 30 years or longer had been concluded, the lessee thereof;
- (g) in respect of-
 - (i) a portion of land demarcated on a sectional title plan and registered in accordance with the Sectional Titles Act, 1986 (Act No 95 of 1986), the developer or the governing body in respect of the joint property;

- (ii) a portion of land, the person in whose name that portion is registered in accordance with a title deed, including the lawfully appointed representative of such person;

- (iii) any person, including but not limited to–

- (aa) a company registered in accordance with the Companies Act, 2008 (Act No 71 of 2008), a trust *inter vivos*, a trust *mortis causa*, a close corporation registered in accordance with the Close Corporations Act, 1984 (Act No 69 of 1984), and a voluntary association;
- (bb) any government department;
- (cc) any council or governing body established in accordance with any legislation in force in the Republic of South Africa; and
- (dd) any embassy or other foreign entity;

“person” includes–

- (a) a natural person;
- (b) a juristic person;
- (c) for the purposes of this by-law any industrial or commercial undertaking; and
- (d) an organ of State.

“policy” means the Credit Control and Debt collection Policy of the municipality as reflected in the Schedule to this by-law which Schedule refers;

“premises” means any portion of land, situated within the area of jurisdiction of the municipality, and of which the outer boundaries are demarcated on–

- (a) a general plan or diagram registered in accordance with the Land Survey Act, 1927 (Act No 9 of 1927) or the Deeds Registries Act, 1937 (Act No 47 of 1937); or
- (b) a sectional title plan registered in accordance with the Sectional Titles Act, 1986 (Act No 95 of 1986);

“property” means–

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

“standard rate of interest” means a rate of interest equal to the prime rate as determined by the Reserve Bank of South Africa plus a percentage determined by council annually during the budget process.

“this by-law” includes the policy reflected in the Schedule.

2. Duty to collect debts

All debt owing to the municipality must be collected in accordance with this by-law and the policy.

3. Provision of services

New applications for services and the provision of new services must be dealt with as prescribed in the policy.

4. Consumer services deposit

The municipality may require the payment of a deposit for the provision of services and may adjust the amount of any existing deposit, as prescribed in the policy.

5. Interest charges

The Municipality **must** charge and recover interest in respect of any arrear debt, as prescribed by the policy.

6. Arrangements to pay arrears

- (1) The municipal manager may make arrangements with a consumer to pay any arrear debt under conditions as prescribed in terms of the policy.
- (2) Should any dispute arise as to the amount of the arrear debt, the consumer must nevertheless continue to make regular payments in terms of the arrangement until such time as the dispute has been resolved.

7. Agreement with employer

- (1) The municipal manager may–
 - (a) with the consent of a consumer who is in arrears with payments, enter into an agreement with that person's employer to deduct from his or her salary or wages–
 - (i) any outstanding amounts due by the consumer to the municipality; or
 - (ii) regular monthly amounts as may be agreed; and
 - (b) provide special incentives for–
 - (i) employers to enter into such agreements; and
 - (ii) consumers who consent to such agreements.

8. Power to restrict or disconnect supply of services

- (1) The municipality may restrict or disconnect the supply of any service to any premises whenever such consumer–
 - (a) fails to make payment on the due date;
 - (b) fails to comply with an arrangement;
 - (c) fails to comply with a condition of supply imposed by the municipality;
 - (d) damages the infrastructure of the municipality for the supply of such service or tampers with any meter used regarding that service.
- (2) The municipality may re-connect the restricted or discontinued services only–

- (a) after the arrear debt, and all costs as prescribed in the policy have been paid in full and any other conditions have been complied with; or
 - (b) after an arrangement with the consumer has been concluded for payment of the amounts contemplated in sub paragraph (a); and
 - (c) payment by the consumer of all levies as determined in the municipality's Tariff Policy with regard to tampering or damaging of metering equipment.
- (4) The municipality may restrict, disconnect or discontinue any service in respect of any arrear debt.

9. Recovery of debt

Subject to section 6, the municipal manager must, with regard to rates, and may, with regard to other debt–

- (a) by legal action recover any debt;
- (b) recover debt from any organ of state with due consideration of the provisions of Chapter 3 of The Constitution of the Republic of South Africa, 1996; and
- (c) may refer debt to third party debt collection agencies.

10. Recovery of costs

- (1) Where costs are incurred by or on behalf of the municipality in order to recover monies owed to it, the municipal manager may recover such costs, including but not limited to–
 - (a) costs and administration fees where payments made to the municipality by negotiable instruments are dishonoured by banks when presented for payment;
 - (b) legal and administration costs, including attorney-and-client costs and tracing fees incurred in the recovery of debts;
 - (c) restriction, disconnection and reconnection fees, where any service has been restricted or disconnected as a result of non-compliance with this by-law;
 - (d) any losses the municipality may suffer as a result of tampering with municipal equipment or meters; and
 - (e) any collection commission incurred.

11. Attachment

The municipal manager may, in order to recover debt, approach a competent court for an order to attach movable or immovable property of a consumer.

12. Full and final settlement payments

- (1) Any amount tendered in defrayment of a debt, shall be accepted at any cash receiving office of the municipality.

(2) No offer of payment in full and final settlement of a debt, when such amount is less than the outstanding amount, may be accepted, unless confirmed in writing by the municipal manager.

(3) Notwithstanding subsection (2), the payment so offered must nevertheless be credited against the consumer's account, without prejudice to the municipality's rights.

13. Consolidation of accounts and appropriation of payments

(1) The municipality, in terms of section 102 of the Act, considers all separate accounts of a consumer to be consolidated regardless of the fact that separate accounts may be rendered and includes all pre-paid services.

(2) Payments received by the municipality shall be appropriated in the order set out in paragraph 7 of the policy and must be revised annually during the budget process.

(3) Subsection (1) does not apply where there is a dispute between the municipality and a consumer concerning any specific amount claimed by the municipality.

14. Indigent support

Financial assistance may be granted by the municipality to a person that meets the criteria as laid down in paragraph 25 of the policy.

15. Delegation

The municipal manager may delegate his or her powers in terms of this by-law to any official or service provider of the municipality.

16. Clearance certificates

On the sale of any property the municipality shall issue the required clearance certificate as prescribed in the policy.

17. Appeal

A person whose rights are affected by a decision of the municipality in terms of delegated powers, may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 to the municipal manager within 21 days of the date of the notification of the decision.

18. Offences and penalties

- (1) A person who—
- (a) obstructs or hinders any councillor or official of the municipality in the execution of his or her duties under this by-law or the policy;
 - (b) unlawfully uses or interferes with municipal equipment or consumption of services supplied;
 - (c) tampers with any municipal equipment or breaks any seal on a meter or damages a meter;

- (d) fails to comply with a notice served in terms of this by-law or the policy;
- (e) refuses an official of the municipality access to any premises; or
- (f) gives false information regarding the supply of services or with regard to an application for assistance as an indigent;

shall be guilty of an offence and on conviction liable to the payment of a fine or imprisonment or to such imprisonment without the option of a fine or to both such fine and such imprisonment.

19. Repeal of by-laws

The By-law relating to Credit Control and Debt Collection promulgated in Provincial Gazette 7258 of 11 July 2014 is hereby repealed.

20. Short title and commencement

This by-law shall be known as the Credit Control and Debt Collection By-law and shall come into effect on **1 July 2016**.

SCHEDULE

SWARTLAND MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY

In terms of section 96 of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000) the municipality of Swartland hereby adopts the following Credit Control and Debt Collection Policy:

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CHAPTER 1: DEFINITIONS AND OBJECTIVES

1. Objectives of the policy

The objectives of this policy are to–

- (a) focus on all outstanding debt due and payable to the municipality;
- (b) provide for innovative, cost effective, efficient and appropriate methods for credit control, debt collection and indigent relief;
- (c) promote a culture of good payment habits and to create a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt; and
- (d) to provide for the subsidisation of services to indigent households.

CHAPTER 2: CUSTOMER CARE AND MANAGEMENT

2. Communication and the conveyance of information

In order to give effect to the provisions of section 95(a), (b) and (c) of the Act, the municipality may–

- (a) establish a customer care forum where members of the community and members of the council may meet;
- (b) hold ward meetings where representatives of the municipality and other service providers may consult with ward members and their ward representative; and
- (c) implement measures to ensure that consumers of municipal services or any other service, ratepayers and residents in general, are properly

informed with regard to the delivery of services and in particular the costs of the provision of services.

3. Measuring of municipal services and defective meters

- (1) The municipality must ensure the measurement of electricity and water provided to consumers through accurate and verifiable metering systems.
- (2) Meters must, as far as possible, be read at intervals of one month or a period as determined by the municipality.
- (3) If for any reason meters cannot be read or have not been read, the municipality shall be entitled to render an account based on the estimated consumption calculated on the last 3 months' average consumption preceding the date on which the meter was last read, provided that the difference between the actual usage and estimated usage must be set off as soon as a metered reading is obtained.
- (4) It may be assumed that the electricity or water usage registered by a meter has in fact been delivered, provided that for any period that a meter is out of order, the electricity or water so delivered may be calculated on the basis of the average usage over the three months preceding the period in question.
- (5) A consumer may request a special meter reading against payment of the prescribed tariff.
- (6) Defective metering equipment shall be dealt with in terms of the municipality's by-laws relating to water services and electricity supply.
- (7) The provisions of the by-laws mentioned in sub paragraph (6) with regard to ownership of metering equipment apply with the necessary changes.

4. Municipal accounts

- (1) The municipality shall render a monthly account to a consumer of municipal services.
- (2) The account shall reflect the following–
 - (a) all outstanding amounts and the balance brought forward;
 - (b) amounts owing;
 - (c) total amount due; and
 - (d) meter readings where applicable.
- (3) In respect of accounts rendered to a consumer who is not the owner of the relevant property, and where a lease agreement exists between the owner and the tenant, the municipality shall switch the account to the owner of the property upon expiration of the lease agreement.
- (4) An account contemplated in sub paragraph (3) shall be switched to the owner of property if-
 - (a) change in ownership takes place; or
 - (b) a tenant or occupier fails to pay his or her account on three occasions, irrespective of the period of lease.

- (5) The provisions of sub paragraph (4)(b) shall also apply in the case of non-residential consumers.
- (6) Where the owner of a block of flats fails to pay his or her account, the municipality shall notify the tenants of such failure and grant the owner 14 days to settle the account, failing upon which the municipality may restrict or discontinue services to the premises.
- (7) Deposits previously paid by a tenant or occupier shall upon switching of an account in terms of subsections (3) and (4) be refunded to the relevant tenant or occupier after calculation of the final outstanding balance.
- (8) The municipality shall supply an owner who rents property with a copy of the monthly account provided to the tenant or occupier of the property. The cost of such a duplicate account, to be determined annually by Council, may be debited against the owner's account, provided that e-mail accounts will be rendered at no cost.
- (9) An owner who lets property must, at the request of a tenant or occupier, provide such tenant or occupier with a copy of the monthly account rendered to him or her by the municipality.
- (10) The provisions of sub paragraphs (3) and (4) shall not apply to-
- occupiers of municipal property in terms of a lease agreement; or
 - state owned property where one department pays the rates and another pays the services account.

5. Enquiry, dispute and appeal

- (1) *Enquiry:*
- A consumer may request the municipality to review an account.
 - While such an account is under review, the consumer must pay an amount equal to the average usage for the preceding three months where the history of that account is available.
 - Where such history is not available, the consumer must pay an estimated amount before the due date until the matter has been resolved.
 - The municipality must resolve the matter within 10 working days of receipt of such a request and inform the consumer concerned of the outcome of such an investigation.
 - Failure to pay the amount determined in terms of subparagraph (1)(b) or (c) on or before the due date may result in the restriction or disconnection of the consumer's services.
- (2) *Dispute:*
- A consumer may dispute any part or all of an account received in which case Section 102 of the Act shall apply.
 - The provisions of subparagraph (1)(b) and (c) apply with the necessary changes in case of a dispute.
- (3) *Appeal:*

- A person who feels aggrieved by a decision of the municipality in terms of delegated authority may appeal against that decision by giving written notice in terms of Section 62 of the Act to the municipal manager within 21 days of the date of the notification of the decision.
- The grounds for appeal must be clearly indicated by the aggrieved person; and
- Where applicable, the fees for testing of any metering equipment must be included.

6. Payment facilities

- (1) The municipality shall provide and maintain strategically situated, accessible payment offices and cash points throughout its area of jurisdiction.
- (2) The following alternative payment facilities shall also be provided or be available-
- electronic bank transfers (A.C.B. system);
 - internet transfers;
 - direct depositing of money into the municipality's approved bank account;
 - payments at different accredited business undertakings and other agencies; and
 - where available, credit- and debit cards to a maximum of R5000 per account per month in respect of residential property.
- (3) Where any of the alternative payment facilities are used, the onus is on the person using such facilities to provide proof of payment, and the municipality does not accept liability for the non-receipt of such payments, or for incorrect allocations which are due to a mistake on the part of such person.
- (4) Where payment of the money due is made by way of a direct deposit into the municipality's approved bank account, the consumer must submit proof of the deposit not later than the due date.

7. Consolidation of accounts and appropriation of payments

- (1) The municipality, in terms of section 102 of the Act, considers all separate accounts of a consumer to be consolidated regardless of the fact that separate accounts for such owner or tenant may be rendered and includes all pre-paid services for which no account is rendered.
- (2) Payments received by the municipality may be appropriated in the order as determined by the municipality annually during the budget process.
- (3) Payments received shall be appropriated in terms of oldest debt first by means of instalments as determined annually by the council in order to prevent prescription.

CHAPTER 3: CREDIT CONTROL AND DEBT COLLECTION MEASURES

8. Application for municipal services

- (1) No person may receive or consume municipal services without approval of the municipality.
- (2) The municipality may render services to consumers in terms of special agreements where circumstances require special measurements.
- (3) A consumer who wants to receive or use municipal services must apply in writing for approval in terms of paragraph 8(1).
- (4) In respect of non-residential property, if the owner is not the consumer, he or she must consent in writing to the supply of the services requested.
- (5) Upon approval of an application for the provision of services, the municipality must inform the applicant of–
 - (a) the different levels or standards of services and the applicable tariffs or fees payable in respect of each level of service;
 - (b) the due date for payment of all amounts owed to the municipality;
 - (c) the service hours of cashiers where payments may be made and the conditions for payment at vendor points;
 - (d) the various alternative payment facilities and the conditions and requirements relating thereto;
 - (e) the municipality's right to terminate or restrict water or electricity services in case of non-payment of an account **(or any part thereof)** or tampering with municipal metering equipment;
 - (f) the consumer's responsibility for any damages caused to metering equipment or other municipal property;
 - (g) his or her obligation to pay for services despite possible non-delivery of an account;
 - (h) the municipality's right to consolidate accounts of the consumer;
 - (i) the municipality's right to install a prepayment meter, on a property where the electricity supply has been disconnected for non-payment or tampering in which case the meter remains the property of the municipality;
 - (j) the municipality's right to install a water demand management meter, on a property for non-payment or tampering in which case the meter remains the property of the municipality;
 - (k) the right to withhold or to limit units purchased for a prepayment meter or to offset a portion of any payment against arrears as result of non-payment of debt owed to the municipality;
 - (l) the municipality's right to levy interest on amounts not paid by the due date as stipulated on an account;
 - (m) the municipality's right to attach movable and immovable property;
 - (n) the municipality's assistance to indigents; and
 - (o) the municipality's client service charter.
- (6) The municipality will only be obliged to provide a specific level of a municipal service requested–

- (a) if it is already provided by the municipality in the normal course of events; and
 - (b) if the municipality possesses the means and capacity to provide such a level of service.
- (7) A consumer may at any time apply to change the level of a municipal service originally approved, provided that the level of service requested is available and that the costs and disbursements incidental to such change be borne by the applicant.
- (8) In the case of an illiterate or similarly disabled person, the municipality must ensure that he or she is aware of and understands the contents of the application form and that he or she is assisted with the completion thereof.
- (9) Where the municipality–
 - (a) refuses an application for the provision of municipal services or a specific service or level of service; or
 - (b) is not in a position to provide such municipal service or level of a service on the date on which it is requested; or
 - (c) is not in a position to provide such municipal service or level of a service at all;
 it must inform the applicant of such refusal or inability to provide the service and the reasons therefore.
- (10) An approval for the provision of services or any undertaking or arrangement in terms of this policy does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be incidental credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act, 2005.

9. Liability for payment

- (1) A consumer who receives, uses or benefits from the services offered or rendered by the municipality in terms of its functions as listed in Schedules 4B of 5B of the Constitution, is responsible for the payment of any monies due and payable to the municipality in respect of such consumption or benefit.
- (2) If for any reason service charges have not been levied, the municipality shall be entitled to render an account as from the date of registration of such property in the Deeds Office.
- (3) Rental payable in respect of the letting of state-financed housing and other municipal property is payable by–
 - (a) the person with whom the lease was concluded; or
 - (b) the person who applied to rent the premises, where no agreement of lease was concluded; or
 - (c) if no such person can be identified, the head of the household occupying such premises; or
 - (d) any other person who accepts responsibility for the payment of rental due, irrespective of whether such a person occupies the premises or not.

(4) The person or persons with whom a loan agreement or an instrument of debt has been concluded is responsible for repayment of housing loans.

(5) Where an account is not paid in full, any lesser amount offered and accepted by the municipality shall not be regarded as full and final settlement of such account unless the municipal manager in writing accepts such lesser amount as being in full and final settlement of the account in question.

(6) Non-delivery of an account or an error or omission in an account shall not exempt a consumer from payment of any amounts owing to the municipality.

10. Due date

Accounts for rates or services offered or rendered by the municipality become due and payable as follows—

(1) Rates:

- (a) rates become due and payable on the 1st day of July of each year for which such rates are determined;
- (b) the municipality shall recover the rates levied in twelve equal instalments which shall be payable on the date indicated on the account statement;
- (c) by prior arrangement the municipality will recover the rates levied in a single amount, which is payable on the date determined by the municipality in respect of annual payments at end of October in the year in which the amount is levied.
- (d) where property becomes taxable after the 1st July of a financial year of the municipality, the rates levied shall become due and payable on the date of notice to such owner of his or her liability for payment thereof;
- (e) the provisions of sub paragraphs (b) and (c) will apply with the necessary changes in respect of rates levied in terms of sub paragraph (d);
- (f) applications to pay rates in a single amount must be submitted to the municipality before 31 May of each year.

(2) Availability charges:

- (a) availability charges become due and payable on the 1st day of July of each year for which such fees are determined;
- (b) the municipality will recover the availability charges levied in twelve equal instalments which will be payable on or before the last working day of each month in respect of which payment must be made;
- (c) where the levy becomes payable after the 1st July of a financial year, the levy shall become due and payable on the date of notice to such owner of his or her liability for payment thereof.

(3) Municipal services:

Moneys payable in respect of municipal services are due and payable on the date indicated as such on the account delivered each month and payment must

be made on or before the last working day of the month in which such account was delivered.

(4) Rental or loan instalment:

Payment of rental or loan instalments due in respect of state-financed housing or other municipal property must be made on the dates and in accordance with the provisions contained in the relevant lease and loan agreements.

(5) Other fees or instalments:

Payment of moneys other than those contemplated in sub paragraphs (1) to (5) must be made on the date indicated on the account which date will be no more than 30 days after the rendering of the particular service.

11. Accounts in arrears

(1) Rates:

- (a) where rates which are payable in a single amount remain unpaid after the due date, the Director Financial Services shall serve a written notice on the owner demanding payment thereof within 14 days from the date of notification.
- (b) upon failure to comply with a notice contemplated in sub paragraph (a), the Director: Financial Services shall, subject to the provisions of paragraph 15, institute legal proceedings to recover such rates.
- (c) where an owner, who pays rates in monthly instalments, defaults on payments the Director: Financial Services shall, by written notice, withdraw his or her right to pay monthly instalments in which event the full amount of outstanding rates shall become due and payable immediately.
- (d) where rates payable in monthly instalments are not paid in full after expiry of a period of 12 months from the date on which such rates became due and payable, the Director: Financial Services shall act in terms of sub paragraphs (a) and (b).
- (e) the provisions of sub paragraphs (a) and (b) shall apply with regard to recovery of rates as contemplated in sub paragraph (c).

(2) Availability charges:

The provisions of sub paragraphs (c) and (d) applies with the necessary changes to an owner who defaults on payments in respect of availability charges.

(3) Municipal Services:

- (a) Where a consumer fails to pay any amount or portion thereof in respect of municipal services on the due date, the municipality may—
 - (i) disconnect the electricity supply to the premises concerned;
 - (ii) restrict the water supply to such premises by installing a water demand management meter on the service connection which will allow the passage of at least 6 kiloliter water per month or as permitted by such management meter;

- (iii) install a prepayment meter where the electricity supply has been disconnected for non-payment;
- (iv) withhold or limit units purchased for a prepayment meter or to offset a portion of any payment against arrears as result of non-payment of debt owed to the municipality;
- (b) Notice to a consumer in respect of an account in arrears or outstanding debt may be given via direct electronic media which include but is not limited to: e-mail, SMS or any other available method of electronic communication;
- (c) The municipality may enter into an agreement with a consumer who is unable to pay his or her account or portion thereof in terms of which he or she will be permitted to pay the outstanding amount in monthly instalments as determined annually by council.
- (d) Where applicable, the municipality may enter into an agreement with the consumer's employer in terms of section 103 of the Act.
- (e) Upon failure to comply with the conditions in sub paragraph (c) or (d), the municipality may cancel the agreement and institute any of the debt collection measures provided for in sub paragraph (2)(a).
- (f) Where a consumer is served with an account of which the amount payable is exceptionally high as a result of–
 - (i) an act or omission on the part of the municipality; or
 - (ii) a leakage of water from a water installation or electricity installation on the premises which is not part of the municipality's service connection;
 the municipality may enter into an agreement with the consumer to pay the amount owed in monthly instalments.
- (g) period exceeding 30 days after the due date, and no agreement as envisaged in sub paragraph (c) has been entered into, the Director: Financial Services shall, subject to the provisions of paragraph 15 institute legal proceedings against the consumer for the recovery of the debt.
- (h) Where a basic levy, availability charge, rates or any other cost is levied on premises of which the owner cannot be traced, the Municipal Manager, and the Director: Financial Services in consultation with the Internal Auditor and the Executive Mayor may cease such levies, provided that if the owner is traced, such levies may be recovered retrospectively.
- (4) *Rentals or loan instalments:*
 - (a) Interest payable on rentals or loan instalments in arrears shall be levied in accordance with the provisions contained in such lease or loan agreements.
 - (b) Where rentals or loan instalments are not paid on or before the due date, a notice demanding payment thereof, together with interest, shall be served on the person responsible for payment.

- (c) The municipality may enter into an agreement to pay the arrears by way of monthly instalments subject to the conditions contained in sub paragraph 2(b) which terms shall apply with the necessary changes.
- (d) Where no agreement has been concluded to pay the arrears and such arrears are in excess of 30 days, the Director: Financial Services shall take the steps in terms of sub paragraph (2).
- (5) *Other fees or instalments:*
The provisions of paragraph (4) shall apply with the necessary changes.

12. Levying of interest

- (1) The standard rate of interest **must** be levied and collected in respect of all amounts due and payable for each month, provided that for the purposes of calculation, a portion of a month shall be regarded as a month.
- (2) Interest is levied from the first working day following the date on which the amounts in arrears are payable.
- (3) Waiving of such interest may be authorised by the Director: Financial Services, Municipal Manager and Internal Auditor, in consultation with the Executive Mayor.

13. Disconnection and re-connection of services

- (1) Services disconnected in terms of paragraph 8(I) shall only be re-connected upon payment of–
 - (a) the amount in arrears together with interest or if an agreement for the payment thereof has been concluded in terms of paragraph 8(2)(b);
 - (b) the re-connection fees;
 - (c) any other fees as determined in terms of the municipality's tariff policy.
- (2) ***The re-connection of services shall only be done after proof of payment are provided to the municipality.***
- (3) Services disconnected in terms of paragraph 21 shall only be re-connected upon payment of–
 - (a) the re-connection fees;
 - (b) the cost of damages to equipment;
 - (c) the cost of re-placement of damaged equipment; and
 - (d) any other fees as determined in the municipality's tariff policy.
- (4) No standby service shall be rendered for re-connection of services in case of non-payment or tampering with metering equipment.

14. Payment of deposit

- (1) A consumer, as contemplated in paragraphs (b) and (c) of the definition of "consumer" in section 1 of this by-law, shall on application for the provision of municipal services, pay a deposit as determined by the municipality prior to delivery of the required services.

(2) The municipality may increase the deposit where a consumer, as contemplated in sub paragraph (1), fails to pay his or her total outstanding debt for municipal services or where services are disconnected or restricted in terms of paragraph 11(2).

(3) The increase shall be equal to the average consumption by the owner over a period of twelve months.

(4) Where a consumer, as contemplated in sub paragraph (1), moves to other premises within the area of jurisdiction of the municipality, the deposit may be increased if such move requires a higher deposit.

(5) Upon termination of services on request of a consumer, or when accounts are switched in terms of paragraph 4, the deposit may be utilised to extinguish or reduce debt owed by the owner and the remainder, if any, be refunded.

(6) The municipality may annually increase a deposit held in terms of sub paragraph (1) which increase shall be equal to the average of the services consumed over a period of twelve months.

(7) The municipality is not liable for the payment of interest on deposits held.

15. Institution of legal proceedings

(1) The institution of legal proceedings includes, but is not limited to –

- (a) the issuing of summons for payment of amounts in arrears;
- (b) the attachment of rent payable in respect of a property where applicable;
- (d) the attachment of a consumer's remuneration;
- (e) the attachment and sale in execution of movable things;
- (f) the attachment and sale in execution of immovable property;
- (g) the eviction of an occupier of any municipal property.

(2) The institution of legal proceedings must be undertaken with due consideration of all legal requirements and in compliance with the applicable regulations and rules.

(3) Where a consumer's debt is less than R500 and older than 90 days, the Director: Financial Services may decide whether–

- (a) an account should be handed over for collection; or
- (b) legal proceedings should be instituted against him or her.

(4) The Director: Financial Services may determine, where debt is more than R500 and older than 90 days, which of the judicial measures listed in sub paragraph (1) will be the most appropriate and effective in each case.

16. Writing off outstanding debt

The Director: Financial Services may recommend the write-off of outstanding debt after all the available steps have been taken to collect outstanding debts, provided that a list of irrecoverable debt is submitted to the Executive Mayoral Committee at least quarterly and that the reasons for write-off are motivated.

CHAPTER 4: GENERAL PROVISIONS

17. Collection cost

All legal costs, collection commission, and any other expenses incurred by the municipality in order to recover monies owing by a consumer, shall be debited against that owner or tenant's account and collected from him or her.

18. Dishonoured payments

(1) The municipality shall impose costs and administration fees on the account of the consumer where any payment by means of a negotiable instrument is dishonoured by a bank.

(2) Where cheque payment has been dishonoured for a third time within a financial year time, no future payments per cheque shall be accepted..

19. Access to premises

Authorised officials of the municipality or of a service provider shall have access at all reasonable hours to premises for the purposes of implementation of this policy provided that such official must provide the necessary identification upon request.

20. Safe accommodation of service connections and appliances

A consumer shall be responsible for the safe accommodation of any service connections, meters, stopcocks, as well as appliances and equipment for the safeguarding of services on their premises, and shall be liable for any costs or losses incurred, or damages suffered by the municipality in respect thereof.

21. Unauthorised use of services

(1) A consumer who–

- (a) uses or gains access to municipal services without approval in terms of paragraph 8(1); or
- (b) tampers with, breaks or damages any seal, or removes any appliance or equipment which had been installed to measure, provide or restrict the supply of services, shall be held liable for payment of any unauthorised consumption of services.

(2) The municipality has the right to disconnect water or electricity supply to premises–

- (a) if such services are used without approval as contemplated in sub paragraph (1)(a); and
- (b) if metering equipment has been wilfully damaged or tampered with as contemplated in sub paragraph (1)(b).

(3) Without prejudice to the municipality's right to institute criminal proceedings, a consumer who tampers with or damages any appliance or equipment as contemplated in sub paragraph (b) shall be liable to pay the costs as contemplated in paragraph 13(2).

(4) In the case of tampering with or damaging of any metering equipment, the owner shall be regarded as being responsible for such tampering with or damaging thereof unless he or she can prove otherwise.

22. Signing and certification of documents

Any order, notice or other document which needs to be signed or certified by the municipality shall be regarded as sufficiently signed and certified if done by the municipal manager or a duly authorised official of the municipality.

23. *Prima facie* evidence

In lawsuits initiated by the municipality, the mere submission of a certificate reflecting the amount due and payable to the municipality and signed by the municipal manager or a duly authorised thereto, may be accepted by the court as *prima facie* evidence that the amount is due.

24. Clearance certificates

(1) On the sale of any property the municipality shall withhold the required clearance certificate in terms of section 118(1) of the Act until all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

(2) All payments shall be allocated to the seller's municipal accounts and all refunds shall be made to such seller.

(3) No interest shall be paid in respect of such payments.

(4) The clearance certificate validation period is 60 days and the amount due shall be calculated as follows—

- (a) applications received on 30 June shall include 3 (three) months' advance payments;
- (b) applications received on 1st July shall include—
 - (i) rates and availability charges in advance for the full financial year; and
 - (ii) 3 (three) months advance payments for water, electricity, sewerage and refuse removal.
- (c) all other applications shall include 3 (three) month's advance payments.

(5) Payments in terms of sub paragraphs (a) to (c) shall include all outstanding debt on the property.

(6) In terms of section 118(3) of the Act, an amount due for municipal services, surcharges on fees, property rates and other municipal taxes, levies fees and charges is a charge upon the property in terms of which the amount is owed and enjoys preference over any mortgage bond registered against the property.

(7) The amount owing shall be for the account of the registered owner regardless of who incurred the debt.

(8) The municipality may, after obtaining an appropriate court order, sell any property in execution to recover outstanding debt.

CHAPTER 5: INDIGENT SUPPORT

25. Criteria for financial assistance to indigents

(1) Financial assistance may be granted by the municipality to an owner of property that meets the following criteria—

- (a) where the property occupied by such owner is valued at R95 000.00 or less, or as determined by council annually, provided that the R15 000.00 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R95 000.00 and the combined income of all the persons residing on the property does not exceed R4 515.00; or
- (b) where the property that is occupied by the owner is valued at more than R95 000.00, but the combined income of all the persons residing on the property does not exceed R4 515.00; or
- (c) where the occupier is not the owner of the property and the combined income of all the persons residing on the property does not exceed R4 515.00.

(2) Where the owner of the property has passed away or cannot be traced, financial assistance may be rendered if the combined income of all the persons residing on the property does not exceed R4 515.00.

(3) None of the persons residing on a property mentioned in sub paragraphs (a) to (c) may own other immovable property.

(4) The Director: Financial Services may increase the income limitation in sub paragraph (c) where extraordinary circumstances prevail, such as—

- (a) where a large number of the persons residing on the property are without any income; or
- (b) where they have to care for dependents or family members who are handicapped or who suffer from chronic or terminal illness.

(5) The discretionary increase must be reported to the Executive Mayoral Committee monthly where applicable.

26. Appropriation of financial assistance

(1) Subject to sustainability and affordability, financial assistance to an indigent owner or tenant shall be appropriated as follows—

- (a) 50 kWh electricity per month;
- (b) sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- (c) fees for waste removal;
- (d) 8 kl water per month;

- (e) rates payable to a maximum amount calculated at the tariff multiplied by **R80 000.00**.
- (2) The unused portions of the 50 kw electricity and **8 kl** water shall not be transferable from one month to another **and the 8 kl of water shall be reduced annually to 6kl.**
- (3) The municipality shall, annually during the budget process, revise the financial assistance given to indigents.
- (4) Where a pre-paid electricity meter is installed on premises occupied by an indigent person, and the electricity connection is limited to 20 ampère, such indigent shall likewise be considered for financial assistance in respect of the use of electricity and to the extent determined by sub paragraph (1)(a), provided that credit earned on such an account will be utilised for the settlement of rates due or amounts due in respect of any other municipal services.

27. Cancellation of financial assistance

- (1) The Director: Financial Services may at any time investigate the financial circumstances of an indigent and may–
 - (a) request documentary proof or information pertaining to the income or lifestyle of persons residing on the property;
 - (b) verify the information furnished by a household or member thereof by conducting interviews with and the taking of statements from such members or any other person;
 - (c) after proper notice, review or cancel the household's financial assistance if–
 - (i) illegal practises are present on the premises which include, but are not limited to–
 - (aa) building operations without approval;
 - (bb) business or commercial uses in contravention of the Town Planning Scheme Regulations; or
 - (cc) dealing in liquor or prohibited substances;
 - (ii) false information had been furnished in an effort to obtain or retain financial assistance; or
 - (iii) circumstances have changed to such an extent that the indigent no longer complies with one or more of the requirements mentioned in paragraph 25;
 - (d) take any steps necessary to prevent unlawful access to financial assistance as an indigent.
- (2) In case of cancellation of financial assistance in terms of sub paragraph (1)(c) the indigent shall forfeit all financial assistance with immediate effect and the municipality shall be entitled to re-claim the financial assistance granted to him or her–
 - (a) from the date it was originally granted where sub paragraph (1)(c)(i) applies; or

- (b) from the date on which the circumstances referred to in sub paragraph (1)(c)(ii) changed or, if such date cannot be determined, from the date on which it was established that the owner or tenant no longer complied with the qualifying requirements.
- (3) An indigent whose indigent support has been cancelled, shall at the discretion of the Director: Financial Services, be reconsidered for support if the circumstances leading to cancellation have been rectified.

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

now therefore the Swartland Municipality adopts the cash and investment management policy set out in this document.

**SWARTLAND
MUNICIPALITY****CASH MANAGEMENT AND
INVESTMENT POLICY**

CASH MANAGEMENT AND INVESTMENT POLICY

DEFINITIONS

For the purpose of this policy any word or expression to which a meaning has been assigned in the Act shall bear the same meaning in this policy and, unless the context indicates otherwise, means:–

“Chief financial officer” an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

“Councillor” a member of a municipal council.

“Current assets” -

- debtors;
- cash;
- stock; and
- the short-term portion of long-term debtors.

“Current liabilities” –

- creditors;
- bank overdrafts and
- short-term portion of long-term liabilities

“Investments” funds not immediately required for the defraying of expenses and invested at approved financial institutions.

“Municipal Manager” the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in this position or to whom authority was delegated;

“Municipal stock” the stock certificate issued by the municipality as proof of a long-term fixed period loan of which the capital is repayable at the end of the period while interest is payable at predetermined intervals at a fixed rate.

“Negotiable certificate” a loan certificate that is tradable on the capital market.

“Net current assets” is the difference between current assets and current liabilities.

“Public funds” all monies received by the municipality to perform the functions allocated to them.

“Short-term portion of long-term debtors” refers to the capital installments of long-term debtors due and payable in the next financial year.

“Short-term portion of long-term liabilities” refers to the capital repayment of long-term loans due and payable in the next financial year.

OBJECTIVES

2. (1) The objectives of a cash management and investment policy are:-
 - (a) to give effect to the provisions of Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Regulation R308 as published in Government Gazette 27431 of 1 April 2005 read in conjunction with the provisions of the cash management and investment policy of the Swartland Municipality;
 - (b) to manage the net current asset requirement of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;
 - (c) to manage the financial affairs of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and

- (d) to gain the highest possible return on investments, without incurring unnecessary risk, during periods when excess funds are not required for capital or operational purposes.

SCOPE OF THE POLICY

- 3. (1) The policy deals with-
 - (a) responsibility/accountability;
 - (b) management of net current assets;
 - (c) investment instruments;
 - (d) investment ethics and principles;
 - (e) investment procedures;
 - (f) other external deposits;
 - (g) control over investments;
 - (h) short title.

RESPONSIBILITY/ACCOUNTABILITY

- 4. (1) The municipal manager as the accounting officer of the municipality is accountable for cash management and investments.
- (2) The Municipal Council is the trustee of the public revenues, which it collects, and therefore has an obligation to the community to ensure that cash resources are managed effectively and efficiently. The Council also has a responsibility to invest these cash resources knowledgeably and judiciously/ sensibly/ wisely, and must be able to account fully to the community in regard to such investments.
- (3) The Municipal Council must establish an appropriate policy with prescribed procedures, processes and systems required to ensure efficient and effective management of cash and investments. The Municipal Manager must review the Cash Management and Investment policy annually and, if amended, submit it to Council for approval.

- (4) Efficient and effective management include:-
 - (a) collecting revenue when it is due;
 - (b) banking and depositing monies on a daily basis;
 - (c) making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical service delivery and the creditor's normal terms for account payments;
 - (d) avoiding pre-payment for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier;
 - (e) accepting discounts for early payments when the payments have been included in the monthly cash flow estimates for each department and supplied to the chief financial officer;
 - (f) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the municipality are collected and banked promptly;
 - (g) accurately forecasting the municipality's cash flow requirements;
 - (h) timing of in- and outflow of cash;
 - (i) recognising the time value of money;
 - (j) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; and
 - (k) avoiding bank overdrafts.

MANAGEMENT OF NET CURRENT ASSETS

- 5. (1) Cash management includes the management of net current assets which entail:-
 - (a) debtors;
 - (b) cash;
 - (c) stock;
 - (d) short-term portion of debtors;
 - (e) creditors;

- (f) bank overdraft;
- (g) provisions; and
- (h) short-term portion of liabilities.

Debtors

- (2) The municipal council must set a target for debt collection based on the performance of the municipal manager during the last financial year.
- (3) The target must be expressed as a percentage of potential income and/or the turnover rate of debtors.
- (4) All monies owing to the council must be correctly reflected in the debtors system.
- (5) All funds due to the council must be collected timeously and banked on a daily basis.
- (6) Large sums of money received must be deposited into the bank account on the same day that payments are received.
- (7) Extension for payment of rates and service charges must only be given in terms of the municipality's credit control and debt collection by-law and in exceptional circumstances.
- (8) Monies collected by other agencies on behalf of the municipality shall be collected and paid over to the municipality or deposited in the bank account of the municipality in a manner prescribed by the Municipal Manager and as agreed upon by way of a written agreement between the municipality and the agency concerned.

Receipt of money over the counter

- (9) Every amount of payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by issuing a numbered official receipt.
- (10) Receipts that are cancelled will be reattached in the correct place in the receipt book by means of glue. Information on both the original as well as the copy must be visible and a reason for the cancellation stated.
- (11) Where computer generated receipts are used the original must be filed for audit purposes.
- (12) The Cashier must compile a daily balance of all cash collected. Surpluses and shortages must be indicated as such. Shortages must be paid in on completion of the reconciliation by the Chief Clerk or as soon as possible afterwards. Cash must be banked according to prescribed/ approved arrangements.

Receipt of Money by Post

- (13) When money (including postal orders and cheques) is received by mail or over the counter at the Registry Office, the Registry Clerk shall record all payment remittances electronically as and when received in the cheque register on the Collaborator system. The entry is released by the Administrator, Records & Archives as witness that the money/ cheque/ postal order has been received.
- (14) Post-dated cheques received by mail must also be recorded in the electronic cheque register.
- (15) The cheque/ postal order with the relevant supporting documents are scanned and entered into the Collaborator system and forwarded to the Chief Clerk: Cashiers. The documents are posted in the "Inbox" of the Chief

Clerk and when opened it is electronically recorded as received.

- (16) The Registry Clerk must physical handover the cheque/ postal order/ cash to the designated official in the finance section (Chief Clerk's Office: Cashiers) whom will on receipt of the cheque register together with the remittances, will code all remittances and submit it to the cashier for receipting.
- (17) The Chief Clerk: Cashiers must exchange postal order for cash at the Post Office on the same day or no later than the next working day after it has been received from the Registry Clerk.
- (18) The Chief Clerk: Cashiers must handover cash under control by ensuring that a cash receipt is immediately issued or that a signature is obtained when cash is handed over.
- (19) The cashier will receipt all remittances and issue official receipts to the designated official in the Chief Clerk's Office: Cashiers.
- (20) The designated official will record the receipts against the relevant entry in the electronic cheque register and forward it to the "Inbox" of the Registry Office.
- (21) The registry clerk must ensure that a receipt number is recorded against each entry in the cheque register.
- (22) The Administrator, Records & Archives must obtain an exception report on a weekly basis of all payments received by post which have not yet been accounted for. These exceptions must immediately be followed-up and cleared.
- (23) All documents relating to remittances received in the mail must be filed for audit purposes.
- (24) A register for post dated cheques must be maintained by the registry clerk on Collaborator and send to the "Inbox" of the Chief Clerk: Cashiers which distribute the register to the various cashiers.

- (25) The cashiers will ensure that the cheque is stored in a strong room and when it becomes due, are promptly receipted, and the receipt numbers recorded in the electronic post dated cheque register.

Management of cash

- (26) All monies due to the municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis. Over week-ends and public holidays monies must be banked on the next working day. Where huge amounts are collected after monies have been banked on Fridays or on days prior to a public holiday, these monies must also be deposited prior to the closer of the bank.
- (27) The cash holding of the municipality must be kept at the minimum level required to finance the day to day operations of the municipality.

Access to Cashiers Offices/ Workstations/ Booths

Handling and Safeguarding of Cash:

- (28) The cash office must be fitted with a lockable door and lockable money drawer. During business hours, all forms of cash must be stored/ safeguarded in lockable drawers, cash registers and/or cash boxes.
- (29) The cash office must remain locked at all times, irrespective of whether the Cashier is present or not.
- (30) All monies received must be locked in the locker during meal hours and in safe overnight and over week-ends.
- (31) The cashier should have complete control and responsibility for the cash they collect during business hours.
- (32) Access to areas where cash is collected/paid/stored/safeguarded is restricted and limited to only those employees who need access, and have been designated to have access, which would be the Cashier handling the

money and the direct Supervisor/Authorised Official performing reconciliations and checks.

(33) Any other Officials/ Auditors must request documents from the Supervisor/ Authorised Official who will enter the Cashier's office/ area, to collect the appropriate documents, and hand it over to the officials/ auditors. These documents must be handed over and returned under control to prevent documents being lost.

(34) Cash Offices must be restricted by means of the biometrics system (where possible) to prevent unauthorised access. The restriction of cash offices is to prevent the continuous movement of staff not handling cash or serving the public. Cashiers need to concentrate to prevent cash shortages which they are held responsible for.

(35) Cash may only be accepted at Cash Offices of the municipality, registered vendors and by authorised Credit Control officials in Kalbaskraal, Riverlands and Koringberg.

(36) All keys must remain in the possession of the staff responsible and must not be relinquished for whatever reason.

(37) Written acknowledgements must be obtained for all keys and monies handed over to the Supervisor or any other authorised staff members.

(38) The relevant authorised official /Supervisor must supervise the cash activities on a daily basis.

(39) The cashier must compile a daily cash summary. This cash on hand per the summary must match the actual cash on hand.

(40) The day end cash balance and money must be safeguarded in the safe till deposited in accordance with approved cash arrangements.

Management of Stock

(41) Adequate control must be exercised over all goods received, the storage and issuing of goods kept in stock in order to improve cash management.

(42) Minimum and maximum stock levels, reordering procedures, turnover rate of stock items must be reviewed quarterly to ensure that funds are not unnecessarily tied up in stock.

(43) A stock register, reflecting the under-mentioned detail must be kept and updated daily:-

- (a) item description;
- (b) stores code number;
- (c) transaction date;
- (d) goods received –
 - (i) goods delivery note number;
 - (ii) number of items received; and
 - (iii) value of items received.
- (e) goods issued-
 - (i) requisition number; and
 - (ii) number of items issued.
- (f) balance of items in stock.

(44) Stock counts must be affected monthly and an annual report reflecting stock shortages and surpluses must be submitted to council on the 30 June of each financial year.

(45) All surpluses and shortages must be explained by the relevant head of department.

Short-term portion of debtors

(46) The periodical payments relating to long-term debtors must be raised and recovered monthly / biannually.

Payment of Creditors

- (47) The chief financial officer shall ensure that all tenders and quotations invited by and contracts entered into by the municipality stipulate payment terms favourable to the municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the municipality. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment.
- (48) Payments to creditors must be limited to one payment per creditor per calendar month of which such processing will take place on or about the end of the month concerned. Wherever possible, payments shall be effected by means of electronic transfers rather than by cheques. Special payments to creditors shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end processing.
- (49) In the case of small, micro and medium enterprises (BBBEE), where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the Chief Financial Officer before any payment is made.
- (50) Discounts for early settlement must be considered and utilised.
- (51) Credit statements must be reconciled monthly.
- (52) Payment must only occur on receipt of a statement of which the original company invoices can be linked to official orders that were issued prior to the company's invoice date and certified goods received notes. Copies of invoices must be certified by creditors as a true copy of the original and Payment Clerks must ensure that payment has not yet occurred for these invoices.

- (53) In exceptional cases and with the prior approval of the Chief Financial Officer, payments can be made on invoice for smaller suppliers. Refer to section 32 above.

Management of bank overdraft

- (54) All debt shall be raised in strict compliance with the requirements of clause 45 to 47 of the Municipal Finance Management Act 2003, and only with the prior approval of the council.
- (55) A bank overdraft may only be obtained in anticipation of a positive income stream or to finance capital projects in anticipation of an approved capital grant or long-term loan.
- (56) The bank overdraft must be repaid at the end of each financial year.
- (57) The council can only approve a bank overdraft on the submission of a cash flow statement indicating the anticipated income stream or a certificate stating the approved grant or long-term loan.
- (58) The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council.
- (59) A municipality may incur long-term debt only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution.

Provisions

(60) Provisions for known short-term liabilities must be made for each municipal order issued.

(61) Sufficient cash must be available when payments are due.

Short-term portion of long-term liabilities

(62) Loan installments due in the next financial year must be provided for in the financial statements.

(63) Sufficient cash must be available when payments are due.

INVESTMENT INSTRUMENTS

6. (1) A municipality or municipal entity may invest funds only in any of the following investments types as may be appropriate to the anticipated future need for the funds-
- (a) securities issued by the national government;
 - (b) listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
 - (c) deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
 - (d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No.45 of 1984);
 - (e) deposits with the Corporation for Public Deposits as contemplated by the Corporation of Public Deposits Act, 1984 (Act No.46 of 1984);
 - (f) bankers, acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990; (Act No. 94 of 1990)
 - (g) guaranteed endowment policies with the intention of establishing a sinking fund;
 - (h) repurchase agreements with banks registered in terms of the Banks

Act, 1990;

- (i) municipal bonds issued by the municipality; and
- (j) any other investment type as the minister may identify by regulation in terms of section 168 of Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) in consultation with the Financial Services Board.

INVESTMENT ETHICS AND PRINCIPLES

7. (1) The municipal manager will be responsible for the investment of funds, and he/she, with due regard for the provisions of the Municipal Finance Management Act, 2003 and in compliance with any policy directives formulated by the council, has to steer clear of outside interference, regardless of whether such interference comes from individual councilors, investment agents or institution or any outside parties.
- (2) Under no circumstances may he/she be forced or bribed into making an investment.
- (3) No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill and in this regard the municipality's standing resolutions have to be observed
- (4) Particulars of gifts received, as described in the municipality's standing resolutions, have to be recorded in a register held for that purpose.
- (5) Long- term investments should be made with an institution of minimum BBB rating (where BBB refers to lower risk institutions).
- (6) Short- term investments should be made with an institution of minimum B rating (where B refers to higher risk institutions).
- (7) Where large sums of money are available for investment the Municipal Manager shall ensure that it is invested with more than one institution.

- (8) Investments shall only be made at institutions which have branches in the jurisdiction of the Swartland Municipality wherever practicable, in order to limit the risk exposure of the municipality.
- (9) The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).
- (10) The council may not borrow money to invest.
- (11) Should the municipal manager invest with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act No. 94 of 1990 and that they are approved financial institutions - as approved by the Reserve Bank, from time to time.
- (12) When making growth related investments, the municipal manager must guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

INVESTMENT PROCEDURES

8. (1) After determining whether there is cash available for investment and fixing the maximum term of investment, the municipal manager must consider the way in which the investment is to be made.

Short-term investments (i.e for a term up to a maximum of 12 months)

- (2) Quotations should be obtained from a minimum of three financial institutions, for the term of which the funds will be invested.
- (3) Should one of the institutions offer a better rate for a term, other than the term which the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

- (4) Quotations can be obtained by e-mail or facsimile as rates generally change on a regular basis and time is a determining factor when investments are made.
- (5) The person responsible for requesting quotations from institutions must record the following:-
 - (a) name of institution;
 - (b) name of person quoting rates;
 - (c) period of the investment;
 - (d) relevant terms; and
 - (e) other facts i.e. is interest payable monthly or on maturation date.
- (6) Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.
- (7) The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.
- (8) The investment capital must only be paid over to the institution with which it is to be invested and not to an agent.
- (9) The financial institution where the investment is made must issue a certificate stating the details of the investment.
- (10) The municipal manager must make sure that the investment document received is a genuine document and issued by the approved institution.
- (11) The financial institution, where the investment is made, must issue a certificate for each investment made stating that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.
- (12) The municipal manager must within 10 working days of the end of each

month submit to the mayor of the municipality a report describing, in accordance with generally recognised accounting practice, the investment portfolio of that municipality at the end of the month.

- (13) The report referred to in 8 (12) must set out at least:
- (a) the market value of each investment as at the beginning of the reporting period;
 - (b) any changes to the investment portfolio during the reporting period;
 - (c) the market value of each investment as at the end of the reporting period; and
 - (d) fully accrued interest or yield for the reporting period.
- (14) Where money is kept in current accounts, the municipality must bargain for more beneficial rates.
- (15) The municipal manager must ensure that the financial institution where the investment is to be made is creditworthy and the performance of the institution is to his/her satisfaction, before investing money in the institution.
- (16) The municipal manager must obtain information from which the creditworthiness of financial institutions can be determined. The information obtained must be analysed annually.

Long-term investments (i.e for a term more than 12 months)

- (17) At least three written quotations must be obtained for all investments made for periods longer than twelve months.
- (18) All long-term investments are also subject to the provisions contained in paragraphs 8(3), 8(6), 8(7), 8(8), 8(9), 8(10), 8(11), 8(12), 8(13), 8(15) and 8(16) of this document.
- (19) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

OTHER EXTERNAL DEPOSITS

9. (1) The principles and procedures set out above must apply to other investment possibilities, subject to the applicable legislation, which is available to the council, including debentures and other securities of the state as well as other municipalities or statutory bodies in the republic, instituted under and in terms of any law.

CONTROL OVER INVESTMENTS

10. (1) An investment register should be kept of all investments made. The following facts must be recorded:
- (a) name of institution;
 - (b) capital invested;
 - (c) date invested;
 - (d) interest rate;
 - (e) maturation date;
 - (f) interest received;
 - (g) capital repaid; and
 - (h) balance invested.
- (2) The investment register and accounting records must be reconciled on a monthly basis.
- (3) The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks. It must then be established as what to do with the funds, bearing in mind the cash flow requirements.
- (4) Interest, correctly calculated, must be received timeously, together with any distributable capital.
- (5) The municipal manager must check that the interest is calculated correctly.

- (6) The Chief Financial Officer shall ensure that all investment documents and certificates are properly secured. The following documents must be safeguarded-
 - (a) fixed deposit letter or investment certificate;
 - (b) receipt for capital invested;
 - (c) copy of electronic transfer or cheque requisition;
 - (d) excel schedule of comparative investment figures;
 - (e) commission certificate indicating no commission was paid on the investment; and
 - (f) interest rate quotations.

SHORT TITLE

- 11. The short title of this policy is the investment and cash management policy of the Swartland Municipality



SWARTLAND MUNICIPALITY

ASSET MANAGEMENT POLICY

JULY 2014

(Reviewed March 2016)

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PREAMBLE

Whereas section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003) determines that a municipal council may not dispose of assets required to provide minimum services, and whereas the Municipal Asset Transfer Regulations (Government Gazette 31346 dated 22 August 2008) has been issued,

- and whereas the Municipal Council of Swartland Local Municipality wishes to adopt a policy to guide the municipal manager in the management of the municipality's assets,

- and whereas the Municipal Manager as custodian of municipal funds and assets is responsible for the implementation of the asset management policy which regulate the acquisition, safeguarding and maintenance of all assets,

- and whereas these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes,

- now therefore the Municipal Council of the Swartland Local Municipality adopts the following asset management policy:

ABBREVIATIONS AND DEFINITIONS

AM	Asset Management
AMS	Asset Management System
AR	Asset Register
CFO	Chief Financial Officer
CRR	Capital Replacement Reserve
GRAP	Standards of Generally Recognised Accounting Practice
IA	Intangible Assets
IAR	Infrastructure Asset Register
IDP	Integrated Development Plan
IIMM	International Infrastructure Management Manual
IP	Investment Property
LM	Local Municipality
MFMA	Municipal Finance Management Act
MSA	Municipal Services Act
NT	National Treasury
OHSA	Occupational Health and Safety Act
PPE	Property, Plant and Equipment
SDBIP	Service Delivery and Budget Implementation Plan

Accounting Officer means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act 2000 (Act no. 32 of 2000).

Agricultural Produce is the harvested product of the municipality's biological assets.

Biological Assets are defined as living animals or plants.

Capital Assets (assets) are items of Biological Assets, Intangible Assets, Investment Property or Property, Plant or Equipment defined in this Policy.

Carrying Amount is the amount at which an asset is included in the statement of financial position after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.

Chief Financial Officer (CFO) means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.

Community Assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciable Amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair Value is the amount for which an asset could be exchanged or a liability between knowledgeable, willing parties in an arm's length transaction.

GRAP are standards of Generally Recognised Accounting Practice.

Heritage Assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

Infrastructure Assets are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

Intangible Assets are defined as identifiable non-monetary assets without physical substance.

Investment Properties are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

Land and Buildings are defined as a class of PPE when the land and buildings are held for purposes such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

MFMA refers to the Local Government: Municipal Finance Management Act (Act no. 56 of 2003).

Other Assets are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, Plant and Equipment (PPE) are tangible assets that:-

- (a) Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) Are expected to be used during more than one period.

Recoverable Amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.

Recoverable Service Amount is the higher of a non-cash generating asset's fair valueless cost to sell and its value in use.

Residual Value is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Useful Life is:-

- (a) The period of time over which an asset is expected to be used by the municipality; or
- (b) The number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

1. OBJECTIVE

The MFMA was introduced with the objective of improving accounting in the municipalities sector in keeping with global trends. Good asset management is critical to any business environment whether in the private or public sector. In the past municipalities used a cash-based system to account for assets, whilst the trend has been to move to an accrual system.

With an accrual system the assets are incorporated into the books of accounts and systematically written off over their anticipated lives. This necessitates that a record is kept of the cost of the assets, the assets are verified periodically, and the assets can be traced to their suppliers via invoices or other such related delivery documents. This ensures good financial discipline, and allows decision makers greater control over the management of assets. An Asset Management Policy should promote efficient and effective monitoring and control of assets.

According to the MFMA, the Accounting Officer in the Municipality should ensure:

- a) that the municipality has and maintains an effective and efficient and transparent system of financial and risk management and internal control;
- b) the effective, efficient and economical use of the resources of the municipality;
- c) the management (including safeguarding and maintenance) of the assets of the municipality;
- d) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- e) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
- f) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The objective of this Asset Management Policy is to ensure that the municipality:

- a) consistently applies asset management principles;
- b) applies accrual accounting;
- c) complies with the MFMA, GRAP and other related legislation;
- d) safeguards and controls the assets of the municipality; and
- e) optimises asset usage.

2. LEGISLATIVE FRAMEWORK

2.1. LEGAL FRAMEWORK

A municipality exercises its legislative and executive authority by, among others, developing and adopting policies, plans, strategies and programmes, including setting targets for delivery (section 11(3) of the MSA).

Participation by the local community in the affairs of the municipality must take place through, among others, generally applying the provisions for participation as provided for in the MSA (section 17(1) of the MSA).

A municipality must communicate to its community information concerning, among others, municipal governance, management and development (section 18(1) of the MSA).

As head of administration the Municipal Manager is, subject to the policy directions of the municipal council, responsible and accountable for, among others, the following:

- The management of the provision of services to the local community in a sustainable and equitable manner;
- Advising the political structures and political office bearers of the municipality (section 55(1) of the MSA); and
- Providing guidance and advice on compliance with the MFMA to the political structures, political office-bearers and officials of the municipality (section 60 of the MFMA).

As accounting officer of the municipality the Municipal Manager is responsible and accountable for, among others, all assets of the municipality (section 55(2) of the MSA).

The Municipal Manager must take all reasonable steps to ensure, among others, that the resources of the municipality are used effectively, efficiently and economically (section 62(1) of the MFMA).

2.2. RATIONALE FOR MANAGEMENT OF ASSETS

The South African Constitution requires municipalities to strive, within their financial and administrative capacity, to achieve the following objectives:

- Providing democratic and accountable government for local communities;
- Ensuring the provision of services to communities in a sustainable manner;
- Promoting social and economic development;
- Promoting a safe and healthy environment; and
- Encouraging the involvement of communities and community organisations in matters of local government.

In terms of the MFMA, the accounting officer is responsible for managing the assets and liabilities of the municipality, including the safeguarding and maintenance of its assets.

The MFMA further requires the accounting officer to ensure that:

- The municipality has and maintains a management, accounting and information system that accounts for its assets and liabilities;
- The municipality's assets are valued in accordance with standards of generally recognised accounting practice; and
- The municipality has and maintains a system of internal control of assets and liabilities.

The OHSA requires the municipality to provide and maintain a safe and healthy working environment, and in particular, to keep its infrastructure assets safe.

According to the International Infrastructure Management Manual (IIMM), the goal of infrastructure asset management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers.

The core principles of infrastructure asset management are:

1. Taking a life-cycle approach;
2. Developing cost-effective management strategies for the long-term;
3. Providing a defined level of service and monitoring performance;
4. Understanding and meeting the impact of growth through demand management and infrastructure investment;
5. Managing risks associated with asset failures;
6. Sustainable use of physical resources; and
7. Continuous improvement in asset management practices.

3. POLICY FRAMEWORK:

3.1. POLICY OBJECTIVE

The municipality is committed to providing municipal services for which the municipality is responsible, in a transparent, accountable and sustainable manner and in accordance with sound infrastructure management principles.

The main challenges associated with managing assets can be characterised as follows:

- a) Moveable assets – controlling acquisition, location, use, and disposal (over a relatively short term lifespan)
- b) Immovable assets – life-cycle management (over a relatively long-term lifespan).

The policy approach has been to firstly focus on the financial treatment of assets, which needs to be consistent across both the movable and immovable assets, and secondly to focus on the management of immovable assets as a fundamental departure point for service delivery.

3.2. POLICY PRINCIPLES

The following policy principles serve as a framework for the achievement of the policy objective:

3.2.1 Effective Governance

The municipality strives to apply effective governance systems to provide for consistent asset management and maintenance planning in adherence to and compliance with all applicable legislation to ensure that asset management is conducted properly, and municipal services are provided as expected. To this end, the municipality will:

- Adhere to all constitutional, safety, health, systems, financial and asset-related legislation;
- Regularly review and update amendments to the above legislation;
- Review and update its current policies and by-laws to ensure compliance with the requirements of prevailing legislation; and
- Effectively apply legislation for the benefit of the community.

3.2.2 Sustainable Service Delivery

The municipality strives to provide to its customers services that are technically, environmentally and financially sustainable. To this end, the municipality will:

- Identify levels and standards of service that conform to statutory requirements and rules for their application based on the long-term affordability to the municipality;
- Identify technical and functional performance criteria and measures, and establish a commensurate monitoring and evaluation system;
- Identify current and future demand for services, and demand management strategies;
- Set time-based targets for service delivery that reflect the need to newly construct, upgrade, renew, and dispose assets, where applicable in line with national targets;
- Apply a risk management process to identify service delivery risks at asset level and appropriate responses;
- Prepare and adopt an immovable (infrastructure) asset management strategy and immovable (infrastructure) asset management plans to support the achievement of the required performance;
- Prepare and adopt an immovable (infrastructure) asset maintenance strategy and immovable (infrastructure) asset maintenance plans to execute maintenance timeously;
- Allocate budgets that take cognisance of the full life cycle needs of existing and future assets;
- Implement its Tariff and Credit Control and Debt Collection Policies to sustain and protect the affordability of services by the community.

3.2.3 Social and Economic Development

The municipality strives to promote social and economic development in its municipal area by means of delivering municipal services in a manner that meet the needs of the various customer user-groups in the community. To this end, the municipality will:

- Regularly review its understanding of customer needs and expectations through effective consultation processes covering all service areas;
- Implement changes to services in response to changing customer needs and expectations where appropriate;
- Foster the appropriate use of services through the provision of clear and appropriate information;
- Ensure services are managed to deliver the agreed levels and standards; and
- Create job opportunities and promote skills development in support of the national EPWP.

3.2.4 Custodianship

The municipality strives to be a responsible custodian and guardian of the community's assets for current and future generations. To this end, the municipality will:

- Establish a spatial development framework that takes cognisance of the affordability to the municipality of various development scenarios;
- Establish appropriate development control measures including community information;
- Cultivate an attitude of responsible utilisation and maintenance of its assets, in partnership with the community;
- Ensure that heritage resources are identified and protected; and
- Ensure a long-term view and life-cycle costs are taken into account in immovable asset management decisions.

3.2.5 Transparency

The municipality strives to manage its immovable assets in a manner that is transparent to all its customers, both now and in the future. To this end, the municipality will:

- Develop and maintain a culture of regular consultation with the community with regard to its management of immovable assets in support of service delivery;
- Clearly communicate its service delivery plan and actual performance through its Service Delivery and Budget Implementation Plan (SDBIP);
- Avail asset management information on a ward basis; and
- Continuously develop the skills of councillors and officials to effectively communicate with the community with regard to service levels and standards.

3.2.6 Cost-effectiveness and Efficiency

The municipality strives to manage its immovable assets in an efficient and effective manner. To this end, the municipality will:

- Assess life-cycle options for proposed new immovable assets;
- Regularly review the actual extent, nature, utilisation, criticality, performance and condition of immovable assets to optimise planning and implementation works;
- Assess and implement the most appropriate maintenance of infrastructure assets to achieve the required network performance standards and to achieve the expected useful life of immovable assets;

- Ensure the proper utilisation and maintenance of existing assets;
- Establish and implement demand management plans;
- Timeously renew immovable assets based on capacity, performance, risk exposure, and cost;
- Timeously dispose of immovable assets that are no longer in use;
- Establish documented processes, systems and data to support effective life-cycle immovable asset management;
- Strive to establish a staff contingent with the required skills and capacity, and procure external support as necessary; and
- Conduct annual assessments to support continuous improvement of immovable asset management practice.

4. ASSET RECOGNITION

4.1. CLASSIFICATION OF CAPITAL ASSETS

General

When accounting for Capital Assets, the municipality should follow the various standards of GRAP relating to the capital assets. An item is recognised in the statement of financial position as a Capital Asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Capital Assets are classified into the following categories for financial reporting purposes:

1. Property, Plant and Equipment (GRAP 17)

- Land and Buildings (land and buildings not held as investment)
- Infrastructure Assets (immovable assets that are used to provide basic services)
- Community Assets (resources contributing to the general well-being of the community)
- Housing Assets (rental stock or housing stock not held for capital gain)
- Other Assets (ordinary operational resources)

2. Investment Property (GRAP 16)

- Investment Assets (resources held for capital or operational gain)

3. Intangible Assets (GRAP 102)

- Intangible Assets (assets without physical substance held for ordinary operational resources)

4. Biological Assets (GRAP 101)

- Biological Assets (livestock and plants held)

When accounting for Current Assets (that is of capital nature), the municipality should follow the various standards of GRAP relating to these assets. Current Assets (with a capital nature) are classified into the following categories for financial reporting purposes:

5. Assets classified as Held-for-Sale (GRAP 100)

- Assets Held-for-Sale (assets identified to be sold in the next 12 months and reclassified as Inventory)

6. Land Inventories (GRAP 12)

- Land Inventories (land or buildings owned or acquired with the intention of selling or distributing such property in the ordinary course of business)

7. Heritage Assets (GRAP 103)

- **Assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations**

Further asset classification has not been defined in GRAP. The examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks. To facilitate the practical management of infrastructure assets and asset register data, infrastructure assets have been further classified.

Policy

The asset classification specified by GRAP shall be adhered to as a minimum standard. An extended asset classification have been adopted. The CFO shall ensure that the classifications adopted by the municipality are adhered to.

4.2. IDENTIFICATION OF ASSETS

General

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. Immovable assets are usually identified by means of an accurate description of their physical location.

Policy

An asset identification system shall be operated and applied in conjunction with an asset register. As far as practicable, every individual asset shall have a unique identification number. The CFO shall develop and implement an asset identification system, while acting in consultation with the Executive Directors.

4.3. ASSET REGISTER

General

An asset register is a database of information related to all the assets under the control of the municipality. The asset register consists of an inventory of all the assets, with each asset having a unique identifying number. Data related to each asset should be able to be stored in the asset register. The data requirements for the asset register are as follows:

Data	Land	Movable	Infrastructure / building
Identification			
•Unique identification number or asset mark	✓	✓	✓
•Unique name	✓	✓	✓
•Internal Classification	✓	✓	✓
•Descriptive data (make, model, etc.)	✓	✓	✓
•Erf/Registration number	✓	✓	✓
•Title deed reference	✓		
Accountability			
•Department	✓	✓	✓
•Insurance reference		✓	✓
Performance			
•Age		✓	✓
•Condition		✓	✓
•Remaining Useful life		✓	✓
•Expected Useful Life		✓	✓
Accounting			
•Historic cost	✓	✓	✓
•Take-on value	✓	✓	✓
•Take-on date	✓	✓	✓
•Re-valued amount (where assets were re-valued)	✓	✓	✓
•Valuation difference (for purposes of Revaluation Reserve and depreciation)	✓	✓	✓
•Depreciation method		✓	✓

Data	Land	Movable	Infrastructure / building
•Depreciation portion that should be transferred from Revaluation reserve to accumulated depreciation (where assets were re-valued)		✓	✓
•Depreciation charge for the current financial year		✓	✓
•Impairment losses in the current year		✓	✓
•Accumulated depreciation		✓	✓
•Carrying value	✓	✓	✓
•Residual value		✓	✓
•Source of financing	✓	✓	✓

Assets remain in the asset register for as long as they are in physical existence or until being written off. The fact that an asset has been fully depreciated is not in itself a reason for writing-off such an asset. The asset register does not include assets that belong to other third parties. These assets may be included as separable entities for control purposes.

Policy

An asset register shall be maintained for all assets. ~~In some cases, such as Investment Properties and Intangible Assets, separate asset registers will have to be maintained.~~ The format of the register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets. ~~The asset register should be continuously updated and asset records should be reconciled to the general ledger on a quarterly basis, where possible.~~ **The asset register will be updated annually and reconciled to the general ledger.**

4.4. RECOGNITION OF CAPITAL ASSETS: INITIAL MEASUREMENT

General

A Capital Asset should be recognised as an asset in the financial and asset records when:

- It is probable that future economic benefits or potential service delivery associated with the item will flow to the municipality;
- The cost or fair value of the item to the municipality can be measured reliably;
- The cost is above the municipal capitalisation threshold (if any); and
- The item is expected to be used during more than one financial year.

Spare parts and servicing equipment are usually carried as inventory in terms of GRAP 12 on Inventories and are recognised in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Further guidance for the recognition of assets is provided below:

Capitalisation Threshold

The capitalisation threshold is a **policy decision of the municipality** and is the value above which assets are capitalised and reported in the financial statements as tangible or intangible capital assets as opposed to being expensed in the year of acquisition. As a result, the threshold has a significant impact on the size of the asset register and the complexity of asset management. However the capitalisation threshold is regarded as a deviation from GRAP standards and should be determined annually by comparison against materiality and must be determined at a level that will ensure that the municipality does not deviate materially from the requirements of GRAP 17.

The capitalisation threshold should not be applied to the components of an asset, but should be applied to the value of the capital asset as a whole. If the threshold is applied at component level, the asset register would be incomplete in the sense that an asset recorded as such would not be a complete asset. The municipality has taken the following into account when considering a capitalisation threshold:

- The impact of the threshold on the financial statements and the decisions/assessments the users of the financial statement may or may not make;
- The cost of maintaining financial and management information on assets when the threshold is very low;
- The impact on comparability and benchmarking cost of services may be difficult if different capitalisation thresholds are applied;
- The size of the municipality or the size of its service areas when setting a capitalisation threshold level. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.

Calculation of initial cost price

Only costs that comprise the purchase price and any directly attributable costs necessary for bringing the asset to its working condition should be capitalised. The purchase price exclusive of VAT should be capitalised, unless the municipality is not allowed to claim input VAT paid on acquisition of such assets. In such an instance, the municipality should capitalise the cost of the asset together with VAT. Any trade discounts and rebates are deducted in arriving at the purchase price. Listed hereunder is a list, which list is not exhaustive, of directly attributable costs:

- Costs of employee benefits (as defined in the applicable standard on Employee Benefits) arising directly from the construction or acquisition of the item of the Capital Asset
- The cost of site preparation;
- Initial delivery and handling costs;
- Installation costs;
- Professional fees such as for architects and engineers;
- The estimated cost of dismantling and removing the asset and restoring the site;
- Interest costs when incurred on a qualifying asset in terms of GRAP 5.

When payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit.

Component approach

The component approach is a GRAP-supported approach where complex assets are split into separate depreciable parts for recording. The key considerations in determining what should become a separately depreciable part (component) are:

- Significant cost; and
- Considerable difference in useful life

If the value of a part of the asset is significant (i.e. material) compared to the value of the asset as a whole and/or has a useful life that is considerably different to the useful life of the asset as a whole, it should be recognised as a separately depreciable part (component).

Subsequent Expenses

The municipality should not recognise the costs of day-to-day servicing of the item in the carrying amount of an item of capital asset. These costs are recognised as expenditure as and when incurred. Day-to-day costs are primarily the costs of labour and consumables and may include the costs of small parts. The purpose of these expenditures is usually for the 'repair and maintenance' of the capital asset.

Parts of some capital assets may require replacement at regular intervals. For example, a road may need resurfacing every few years. It may be necessary to make less-frequently recurring replacement of parts, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle, an entity recognises in the carrying amount of the capital asset the cost of replacing the part of such an item when that cost is incurred if the recognition criteria are met. At the same time the part to be replaced should be derecognised.

Rehabilitation/Enhancements/Renewals of capital assets

Expenditure to rehabilitate, enhance or renew an existing capital asset (including separately depreciable parts) can be recognised as capital if:

- The expenditure satisfies the recognition criteria;

- that expenditure is enhancing the service provision of that capital asset beyond its original expectation and either that expenditure:
 - increases the useful life of that capital asset (beyond its original useful life);
 - increases the capital asset capacity (beyond its original capacity);
 - increases the performance of the capital asset (beyond the original performance);
 - increases the functionality of that capital asset;
 - reduces the future ownership costs of that capital asset significantly; or
 - increases the size of the asset or changes its shape.

The expenditure to restore the functionality of the capital asset to its original level is a maintenance or refurbishment expense and will not be capitalised to the carrying value of the capital asset. The rehabilitated or renewed separately depreciable part will be derecognised and the replacement will be recognised. Where the separately identifiable asset is rehabilitated or renewed, the amount incurred will be added to the carrying value of the asset.

Leased Assets

A lease is an agreement whereby the lesser conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as a Capital asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

Policy

All capital assets shall be correctly recognised as assets and capitalised at the correct value in its significant components. **The capitalisation threshold is set at R500 (five hundred rand), but the application thereof will be determined annually by the municipality.**

All assets with values less than the capitalisation threshold and with an estimated useful life of more than one year shall be recorded on a Minor Assets Control List ("toolbox items"). The existence of items recorded on such a list shall be physically verified from time to time, and at least once in every financial year, and any amendments which are made to such lists pursuant to such asset verifications shall be retained for audit purposes.

The Council shall specify which kinds of leases the municipality may enter into. A lease register shall be maintained with all the information that is necessary for reporting purposes.

4.5. SUBSEQUENT MEASUREMENT OF CAPITAL ASSETS

General

After initial recognition of Property, plant and Equipment, the municipality values its assets using the cost model, unless a specific decision have been taken to revalue a certain class of assets and in such instance the PPE will be valued using the revaluation model. When an item of PPE is revalued, the entire class of property to which that asset belongs, should be re-valued.

When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

When an asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

4.6. RECOGNITION OF INVENTORY ITEMS (NON-CAPITAL ITEMS)

General

Inventories encompass finished goods purchased or produced, or work in progress being produced by the municipality. They also include materials and supplies awaiting use in the production process and goods purchased or produced by the municipality, which are for distribution to other parties for no charge or for a nominal charge. GRAP 12.7 defines Inventories as assets:

- In the form of materials or supplies to be consumed in the production process;
- In the form of materials or supplies to be consumed or distributed in the rendering of services;
- Held for sale or distribution in the ordinary course of operations; or
- In the process of production for sale or distribution.

Examples of Inventories may include the following:

- Ammunition
- Consumable stores;
- Maintenance materials;
- Spare parts for plant and equipment other than those dealt with under PPE;
- Strategic stockpiles (e.g. Water reserves);
- Work in progress; and
- Land / Property held for sale.

Cost of inventories shall comprise of all costs of purchase (i.e. purchase price, import duties, other taxes and transport, handling and other costs attributable to the acquisition of finished goods, materials and supplies), costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similarities are deducted. Taxes recoverable by the entity from the SARS may not be included.

Costs of development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development – e.g. purchase price of land acquired for such developments, surveying, conveyance costs and the provision of certain infrastructure. Infrastructure costs relating to extending the capacity of existing infrastructure are excluded. The costs of inventories of a service provider consisting of direct labour and other costs of personnel directly engaged in providing the service and other attributable overheads are included.

Policy

Assets acquired or owned by the municipality for the purpose of selling or developing such assets with the intention to sell it or utilising the asset in the production process or in the rendering of services shall be accounted for in the municipality's financial statements as inventory items and not as property, plant and equipment.

Inventories are recorded in a dedicated section of the Inventory Register and it is maintained for this purpose. The amount of cost of inventories is recognised and carried forward until related revenues are recognised.

Inventories are measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge.

In cases where the above does not apply, inventories are measured at lower of cost and net realisable value.

5. ASSET TYPES

5.1. PROPERTY, PLANT AND EQUIPMENT: LAND AND BUILDINGS (GRAP 17)

General

Land and Buildings comprise any land and buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes. Land held for a currently undetermined future use, should not be included in PPE: Land and Buildings, but should be included in Investment Properties. For this class of Land and Buildings there is no intention of developing or selling the property in the normal course of business. This land and buildings include infrastructure reserves.

The municipality shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. If the municipality chooses the cost model for its Land and Buildings, then after recognition as an asset, Land and Buildings shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses

If the municipality chooses the revaluation model for its Land and Buildings, then after recognition as an asset, Land and Buildings whose fair value can be measured reliably shall be carried at a re-valued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Policy

Subsequent to initial recognition, the Municipality chooses the **cost model** as the accounting policy for its Land and Buildings. Land is not depreciated as it is deemed to have an indefinite useful life.

5.2. PROPERTY, PLANT AND EQUIPMENT: INFRASTRUCTURE ASSETS (GRAP 17)

General

Infrastructure Assets comprise assets used for the delivery of infrastructure-based services. These assets typically include electricity, sanitation, solid waste, storm water, transport, and water assets. Many infrastructure assets form part of a greater facility e.g. a pump in a pump station.

Level of detail of componentisation

For the technical management of infrastructure, the most effective level of management is at the maintenance item level. It is at this level that work orders can be executed and data collected. This data is useful for maintenance analysis to improve infrastructure management decision making. This level in most cases coincides with the level that means the accounting criteria of different effective lives and materiality. However, the collection of data at this level of detail can be very costly when dealing with assets that are very numerous in nature e.g. water meters, street signs, street lights, household connections, etc. It is therefore prudent to balance the value of the information with the cost of collecting the data. The different levels of detail are shown below:

- Level 1: Service level (e.g. Swartland Water Supply)
- Level 2: Network level (e.g. Swartland Pump Stations)
- Level 3: Facility level (e.g. Amstelhof Pump Station)
- Level 4: Maintenance item level (e.g. Pump 1 in Amstelhof Pump Station)
- Level 5: Component level (e.g. Bearing of Pump 1 in Amstelhof Pump Station)

The preferred level of detail for the accounting and technical management of infrastructure is level 4 above.

The compilation of a detailed infrastructure asset register in one financial term is a costly and onerous exercise. To ensure the practicality of implementing asset registers (and asset management planning as a whole), the International Infrastructure Management Manual (IIMM) recommends the adoption of a continuous improvement process as a practical implementation approach. This approach recognises the value of limited data above no data and enables the municipalities too slowly, but steadily, increases their knowledge in the assets they own. The improvement principles of the IIMM recommend starting with complete coverage of the infrastructure types at a low level of detail (e.g. level 2 or 3) and then improving the level of detail over a period of several years, starting with the high risk assets, such as pump stations, treatment works, etc.

Policy

The infrastructure asset register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. Infrastructure assets are valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods applied to Infrastructure assets shall be reviewed regularly, but the cost related to such reviews should be measured against benefits derived to ensure value for money.

5.3. PROPERTY, PLANT AND EQUIPMENT: COMMUNITY ASSETS (GRAP 17)

General

Community Assets include a variety of assets used to provide services to the community. These assets include building assets such as aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks, etc. Community assets also include recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities, etc.

Policy

Community assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

5.4. PROPERTY, PLANT AND EQUIPMENT: HOUSING ASSETS

General

Housing Assets have their origin from housing units erected in terms of the Housing Act, funded from loans granted by Government and comprise of rental stock or selling stock not held for capital gain.

Policy

Housing assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

Housing Assets shall be recorded under the following main categories;

- Rental Schemes; and
- Selling Schemes.

5.5. PROPERTY, PLANT AND EQUIPMENT: OTHER ASSETS

General

Other Assets include a variety of assets that are of indirect benefit to the communities they serve. These assets include equipment, furniture and fittings, bins and containers, emergency equipment, motor vehicles, specialised vehicles, computer equipment and office equipment.

Policy

Other assets are stated at cost (or, if acquired through a non-exchange transaction, at its fair value) less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not re-valued.

5.6. HERITAGE ASSETS (GRAP 103)

General

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. Heritage assets include the following:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example a historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Policy

Heritage assets are stated at cost (or, if acquired through a non-exchange transaction, at its fair value) less accumulated impairment losses. Heritage assets are not re-valued. If an asset that might be regarded as a heritage asset cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

5.7. INTANGIBLE ASSETS (GRAP 102)

General

Intangible Assets can be purchased, or can be internally developed, by the municipality and includes, but are not limited to, computer software, website development cost, servitudes and mining rights.

Servitudes

Creation of servitudes through the exercise of legislation

In terms of legislation, municipalities are granted certain rights regarding the creation of servitudes. For example, in proclaiming townships, a municipality may declare that servitudes are to be registered over certain parts of the land falling within the boundaries of the proclaimed township so that it is able to install infrastructure to provide basic services.

A key feature of servitudes created using rights granted in legislation is that no compensation is paid to the landowner for the acquisition of these rights. Costs may however be incurred to register the servitude with the Deeds Office.

Servitudes granted under these conditions **do not meet** the "identifiably" criteria above for the following reasons:

- They cannot be sold, transferred, rented or exchanged freely and are not separable from the entity.
- They arise from rights granted to the entity in statute and are specifically excluded from GRAP102 as they are "internally generated rights".

Creation of servitudes through acquisition (including by way of expropriation or agreement)

An entity may need to acquire the rights associated with a specific piece of land, e.g. to span power cables related to an electricity distribution network. When an entity acquires rights associated with land, and registers servitude, the landowner is usually compensated. Servitudes granted under these conditions are distinguished from those that are created through the exercise of legislation. These servitudes meet the definition of an "identifiable" intangible asset because they arise from contractual or other legal rights that are acquired through a specific arrangement, rather than through rights conferred on an entity in statute. In these instances, an entity would recognise the servitude as an intangible asset at cost. The cost of these servitudes on initial recognition is usually the transaction price, i.e. the compensation paid to the landowner and any other costs that can be capitalised to the cost of the asset in terms of GRAP 102.

Policy

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs. Research costs should be expensed and development costs may be capitalised if all the criteria set out in GRAP 102 has been met.

5.8. INVESTMENT PROPERTY (GRAP 16)

General

Investment Property comprise of land or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Investment property does not include property used in the production or supply of service or for administration. It also does not include property that will be sold in the normal course of business. Typical investment properties include:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties);
- Shopping centres (developed along similar lines);
- Housing developments (developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit).

Policy

Investment Properties shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment Property is initially measured at its cost. Transaction costs shall be included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as PPE until it is ready for its intended use, where after it shall be reclassified as an investment asset.

After initial recognition, all investment property shall be measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20-50 years. The fair value of investment property shall be determined annually at reporting date in terms of the municipality's Accounting Policy. The fair value should reflect market conditions and circumstances as at the reporting date.

Investment assets are recorded in an Investment Property register.

The following classes of Municipal Property **will be classified** as Investment Property:

- a) Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations which council intends to sell at a beneficial time in the future.
- b) Land held for a currently undetermined future use.
- c) A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- d) A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.
- e) Property that is being constructed or developed for future use as investment property.

The following classes of Municipal Property will **not be classified** as Investment Property:

- a) Property held for sale in the ordinary course of operations or in the process of construction or development for such sale. This property is treated as inventory.
- b) Property being constructed or developed on behalf of the Provincial Government: Housing Department.
- c) Owner-occupied property which is defined as property which is held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes as per definition criteria of GRAP 17 which includes all council buildings used for administration purposes.
- d) Property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) are also regarded to be owner-occupied property.
- e) Property that is leased to another entity under a finance lease.
- f) Property held to provide a social service and which also generates cash inflows. For example, if council holds housing stock (letting units) used to provide housing to low income families at below market rental. In this situation, the property is held to provide housing services rather than for rentals or capital appreciation and rental revenue generated is incidental to the purposes for which the property is held.
- g) Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation.
- h) Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

5.9. BIOLOGICAL ASSETS (GRAP 101)

General

Biological Assets are living plants and animals such as trees in a plantation or orchard, cultivated plants, sheep and cattle. Managed agricultural activity such as raising livestock, forestry, annual or perennial cropping, fish farming that are in the process of growing, degenerating, regenerating and / or procreating which are expected to eventually result in agricultural produce. Such agricultural produce is recognised at the point of harvest. Future economic benefits must flow to the municipality from its ownership or control of the asset.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. Point-of-sale costs exclude transport and other costs necessary to get assets to the market. Where the municipality is unable to measure the fair value of biological assets reliably, a biological asset should be measured at cost less any accumulated depreciation and accumulated impairment losses.

Policy

Biological assets, such as livestock and crops, shall be valued annually at fair value less estimated point-of-sales costs.

5.10. ASSETS CLASSIFIED AS HELD-FOR-SALE (GRAP 100)

General

A non-current asset shall be classified as Assets Held-for-Sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable, management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Policy

Assets identified for disposal by way of a sale transaction, be it by public auction, bidding process or sales agreement, within 12 months of the date of identification shall be classified as assets held-for-sale and transferred from the home asset category to held-for-sale category. Such assets shall be measured at the lower of its carrying amount and fair value less costs to sell and is not depreciated any further upon classification as held-for-sale. The municipality shall not classify a non-current asset that is to be abandoned as held-for-sale because its carrying amount will be recovered principally through continuing use.

5.11. INVENTORY PROPERTY (GRAP 12)

General

Inventory Property comprises any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business.

Policy

Inventory land and buildings shall be accounted for as inventory, and not included in either PPE or Investment Property in the municipality's asset register or Statement of Financial Position. Inventory property shall be valued annually at reporting date at the lower of its carrying value or net realisable value, except where they are held for:

- a) distribution at no charge or for a nominal charge, or
- b) Consumption in the production process of goods to be distributed at no charge or for a nominal charge, and then they shall be measured at the lower of cost and current replacement cost.

Inventory properties shall be recorded in the Inventory register.

5.12. MINOR ASSETS (CAPITAL ASSETS BELOW APPROVED THRESHOLD)

General

Minor Assets comprise movable assets not capitalised in terms of the threshold policy of the municipality. However, these assets must still be controlled, safeguarded and verified by the municipality. They are not capitalised for the number of assets compared to their value does not warrant the complex procedures applicable to asset management, rendering a manageable asset register by concentrating on what is material and significant to the municipality's operation.

Policy

Minor assets shall be expensed in the Statement of Financial Performance and not be capitalised. ~~However, all assets with values less than the capitalisation threshold and with an estimated useful life of more than one year shall be bar coded for identification purposes and listed in the Minor Asset Inventory Listing ("toolbox items").~~ These assets shall not be depreciated or tested for impairment and shall not generate any further transactions, except in the cases where losses are recovered by means of insurance claims or recoveries from disciplinary actions.

6. ASSET ACQUISITION

6.1. ACQUISITION OF ASSETS

General

Acquisition of assets refers to the purchase of assets by buying, building (construction), or leasing. The date of acquisition of assets is deemed to be the time when control or legal title passes to the municipality.

Policy

Should the municipality decide to acquire a capital asset, the following fundamental principles should be carefully considered prior to acquisition of such an asset:

- The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it;
- The asset meets the definition of a Capital Asset (as defined in GRAP 16, GRAP 17, GRAP 101, GRAP 102 and GRAP 103)
- The asset has been budgeted for;
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- The purchase is absolutely necessary as there is no alternative municipal asset that could be economically upgraded or adapted;
- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;
- Space and other necessary facilities to accommodate the asset are in place; and
- The most suitable and appropriate type, brand, model, etc. has been selected.

6.2. CREATION OF NEW INFRASTRUCTURE ASSETS

General

Creation of new infrastructure assets refers to the purchase and / or construction of totally new assets that has not been in the control or ownership of the municipality in the past.

Policy

The cost of all new infrastructure facilities (not additions to or maintenance of existing infrastructure assets) shall be allocated to the separate assets making up such a facility and values may be used as a basis for splitting up construction costs of new infrastructure into the component parts, each of which have an appropriate useful life.

Work in progress shall be flagged (indicated) as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management. Each part of an item of Infrastructure with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

6.3. SELF-CONSTRUCTED ASSETS

General

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

Policy

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the asset register and depreciated over its estimated useful life for that category of asset. Work in progress shall be flagged (indicated) as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management.

6.4. DONATED ASSETS

General

A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.

Policy

Donated assets shall be valued at fair value, reflected in the asset register, and depreciated as normal assets. All donated assets shall be approved by the Municipal Manager and ratified by Council prior to acceptance.

7. ASSET MAINTENANCE

7.1. USEFUL LIFE OF ASSETS

General

Useful Life of assets is defined in section 2 of the Policy and is basically the period or number of production units for which an asset can be used economically by the municipality.

Although National Treasury (NT) guidelines exist that includes directives for useful lives of assets, municipalities must use their own judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for particular classes of assets. The calculation of useful life is based on a particular level of planned maintenance.

Policy

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP. During annual physical verification of movable assets, an assessment of condition and use shall determine the appropriateness of the remaining useful lives, while for infrastructure assets, the useful lives shall be deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the remaining useful lives of these assets.

7.2. RESIDUAL VALUE OF ASSETS

General

The Residual Value of an asset is the estimated amount that the municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The residual values of most assets are however considered to be insignificant and therefore immaterial in the calculation of the depreciable amount. The reason is that the majority of assets are hardly ever recovered through sale, but rather through use of the asset until the end of its useful life, after which insignificant amounts, if any, are expected to be obtained, as these assets will most probably be replaced in its entirety.

Assets typically not sold by the municipality are land, buildings, infrastructure and community assets, which assets will have a residual value of zero, allowing the asset to be fully depreciated over its useful life cycle. Residual values will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. Past experiences of municipal auctions held revealed that furniture, computer equipment and other movable assets does not reach selling prices that are material.

Policy

Residual values shall be determined upon initial recognition of assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles and earthmoving equipment. The basis of the residual value estimates shall be determined by the results of past sales of these types of assets at auctions when it reaches the end of its useful lives. The residual value of assets shall be reviewed annually at reporting date. Changes in depreciation charges emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

7.3. DEPRECIATION OF ASSETS

General

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation therefore recognises the gradual exhaustion of the asset's service capacity. The depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value. The depreciation method used must reflect the pattern in which economic benefits or service potential of a Capital Asset is consumed by the municipality. The following are the allowed alternative depreciation methods that can be applied by the municipality:

- a. Straight-line;
- b. Diminishing Balance; and
- c. Sum of the Units.

Policy

All PPE assets except land shall be depreciated over their reasonable useful lives. The residual value and the useful life of an asset shall be reviewed at each reporting date. The depreciation method applied shall be reviewed at each reporting date. Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used by the municipality, or expected to be so controlled or used during the ensuing financial year.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed. Depreciation of an asset shall begin when the asset is ready to be used, i.e. the asset is in the location and condition necessary for it to be able to operate in the manner intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production. In the case of intangible assets being included as assets, the procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other assets.

7.4. IMPAIRMENT LOSSES

General

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. The following serve as examples of impairment indicators:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the carrying value and the recoverable service value. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at re-valued amount.

If the asset is carried at a re-valued amount the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are

conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

Policy

Assets shall be reviewed annually for all assets with impairment indicators. Impairment of assets shall be recognised as an expense, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Surplus. The reversal of previous impairment losses recognised as an expense is recognised as an income.

7.5. MAINTENANCE OF ASSETS AND THE ASSET REGISTER

General

Maintenance refers to all actions necessary for retaining an asset as near as practicable to its original condition in order for it to achieve its expected useful life, but excluding rehabilitation or renewal. This includes all types of maintenance – corrective and preventative maintenance.

For linear infrastructure assets, such as pipes, cables and roads, the following test is applied to differentiate between maintenance and renewal when partial sections of linear assets are renewed:

- If a future renewal of the entire pipe will include the renewal of the partial section that is now renewed, then the renewal of the partial section is treated as maintenance.
- If a future renewal of the entire pipe will retain the partial section that is now renewed, then the renewal of the partial section is treated as renewal and the pipe is split into two separate assets.

Maintenance analysis is an essential function of infrastructure management to ensure cost-effective and sustainable service delivery. In order to analyse maintenance data, maintenance actions undertaken against individual infrastructure assets should be recorded against such assets.

Policy

Maintenance actions performed on infrastructure assets shall be recorded against the individual assets that are identified in the asset register.

7.6. RENEWAL OF ASSETS

General

Asset Renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However if the service is no longer required, the asset should not be renewed. Asset renewal projections are generally based on forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

Policy

Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

7.7. REPLACEMENT OF ASSETS

General

This paragraph deals with the complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.

Policy

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All costs incurred to replace the asset shall be capitalised against the new asset.

8. ASSET DISPOSAL

8.1. TRANSFER OF ASSETS

General

The processes and rules for the transfer of a capital asset to another municipality, municipal entity or national/provincial organ of state are governed by an MFMA regulation namely "the Local Government: Municipal Asset Transfer Regulations".

Transfer of assets or inventory items refers to the internal transfer of assets within the municipality or from the municipality to another entity. Procedures need to be in place to ensure that the Asset Control Department can keep track of all assets and ensure that the asset register is updated with all changes in asset locations. These procedures must be followed and apply to all transfers of assets from:

- One Department to another Department;
- One location to another within the same department;
- One building to another; and
- One entity to another.

Policy

The transfer of assets shall be controlled by a transfer process and the asset register shall be updated.

8.2. EXCHANGE OF ASSETS

General

According to GRAP 17.33 an item of PPE may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. The cost of such an item of property, plant and equipment is measured at fair value unless:

- the exchange transaction lacks commercial substance; or
- the fair value of neither the asset received nor the asset given up is reliably measurable.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Policy

The cost of assets acquired in exchange for another asset shall be measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up, adjusted by the amount of any cash or cash equivalents transferred.

8.3. ALIENATION / DISPOSAL OF ASSETS

General

Alienation / Disposal (alienation) is the process of disowning redundant and obsolete assets by transferring ownership or title to another owner, which is external to the municipality.

The MFMA (section 14 and 90) and the Municipal Supply Chain Management Regulation no. 27636 have specific requirements regarding the disposal of capital assets.

Specifically:

- A municipality may not ...” permanently dispose of a capital asset needed to provide the minimum level of basic municipal services”
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

In addition, the MFMA section 75 (1)(h) requires that the accounting officer of a municipality places on the municipality's website an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter.

Policy

The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.

Different disposal methods will be necessary for different types of assets. Before deciding on a particular disposal method, the following shall be considered:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location
- Its volume
- Its trade-in price
- Its ability to support wider Government programmes;
- Environmental considerations
- Market conditions
- The asset's life

Appropriate means of disposal may include:

- Public auction
- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution under finance lease
- Trade-in
- Controlled dumping (for items that have low value or are unhygienic)

Other means of alienation include:

- Donations: Donations may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager for approval.
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.
- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.
- The letting of immovable property, excluding municipal housing for officials and political office bearers, must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.

Once the fixed assets are disposed, the asset shall be removed from the accounting records and the asset register. All gains and losses realised on the disposal of assets shall be accounted for as revenue or expense in the Statement of Financial Performance.

8.4. SELLING OF ASSETS

General

Selling of assets refers to the public sale of municipal assets approved for alienation.

Policy

All assets earmarked for sale must be sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;
- The municipality shall appoint an independent appraiser to fix a minimum selling price;
- In the case of a public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Assets earmarked for sale, shall be reclassified as Assets Held-for-Sale in terms of section 5.10 of this Policy and shall not attract any further depreciation. Sold assets shall be written-off in the asset register.

8.5. WRITING-OFF OF ASSETS

General

The write-off of assets is the process to permanently remove the assets from the asset register. Assets can be written-off after approval of the Municipal Manager of a report indicating that:

- The useful life of the asset has expired;
- The asset has been destroyed;
- The asset is out-dated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold; and
- Acceptable reasons have been furnished leading to the circumstances set out above.

Policy

The only reasons for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset in question.

9. PHYSICAL CONTROL (MOVABLE ASSETS)

9.1. PHYSICAL CONTROL / VERIFICATION

General

Movable assets require physical control and verification of existence.

Policy

All movable assets shall be actively controlled, including an annual verification process. Annual physical inspections of assets shall be performed to identify items which are missing, damaged,

not in use or are obsolete due to changed circumstances, to ensure that they are appropriately repaired, impaired, written off or disposed of.

Registers shall be kept for those assets allocated to staff members. The individuals are responsible and accountable for the assets under their control. These registers should be updated when the assets are moved to different locations or allocated to a different staff member in order to facilitate control and physical verification.

9.2. INSURANCE OF ASSETS

General

Insurance provides selected coverage for the accidental loss of the asset value. Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury.

Policy

Assets that are material in value and substance shall be insured at least against destruction, fire and theft. All municipal buildings shall be insured at least against fire and allied perils.

9.3. SAFEKEEPING OF ASSETS

General

Asset safekeeping is the protection of assets from damage, theft, and safety risks.

Policy

Directives for the safekeeping of assets shall be developed and the safekeeping of assets shall be actively undertaken.

10. ASSET FINANCIAL CONTROL

10.1. CAPITAL REPLACEMENT RESERVE (CRR)

General

The CRR is a reserve account to set aside funds for the financing of property, plant and equipment. The CRR is therefore an asset financing source that represents an alternative to the other funding sources available to the municipality, namely external loans (interest bearing borrowings) and government grants and subsidies. The value of this reserve is not represented by any values of assets under the municipality's control and shall preferably be cash-backed.

Policy

It is the policy of Council to annually make contributions to the CRR to ensure that the CRR remains a capital funding source for the future. The municipality will determine its future capital financing requirements and transfer sufficient cash to its CRR in terms of this determination. The Integrated Development Plan, the municipality's ability to raise external finance and the

amount of government grants and subsidies that will be received in future will need to be taken into account in determining the amount that must be transferred to the CRR. Whenever an asset is sold by the municipality, the proceeds on the sale of the assets must be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets. All proceeds on the sale of land will be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets. Whenever an asset is purchased out of the CRR an amount equal to the cost price of the asset purchased, is transferred from the CRR into accumulated surplus on the Statement of Changes in Net Assets.

10.2. BORROWING COSTS (GRAP 5)

General

Borrowing costs are interest and other costs incurred by the municipality from borrowed funds. The items that are classified as borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of premiums or discounts associated with such borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and foreign exchange differences arising from foreign currency borrowings when these are regarded as an adjustment to interest costs. ~~The capitalisation of borrowing costs should take place when borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. During extended periods in which development of an asset is interrupted, the borrowing costs incurred over that time period should be recognised as an expense when incurred. Capitalisation of borrowing costs should cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.~~

~~It is inappropriate to capitalise borrowing costs when there is clear evidence that it is difficult to link a borrowing requirement directly to the nature of the expenditure to be funded, i.e. Capital or Current.~~

Policy

~~Borrowing costs shall be capitalised, if directly attributable to the acquisition construction or production of an asset, except when it is inappropriate to do so.~~
Borrowing cost shall be recognised as an expense in the period in which they are incurred

10.3. FUNDING SOURCES

General

The Municipal Finance Management Act (MFMA) provides guidelines on how to utilize funds in financing assets (Section 19 of MFMA). The municipality shall utilise any of the following sources to acquire and / or purchase assets:

- Grants, Subsidies and Public Contributions;
- Revenue Contributions;
- Capital Replacement Reserve;

- Cash Surplus; and / or
- External / Donor Funds.

Policy

The annual capital budget must be funded and the sources of finance must be disclosed as part of the Council's budget.

10.4. DISASTER

General

In terms of the Disaster Management Act, 2002, Disaster means a progressive or sudden, widespread or localised, natural or human – caused occurrence which causes or threatens to cause:

- death, injury or disease;
- damage to property, infrastructure or the environment; or
- disruption of life of community; and
- is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

In terms Section 56 (b) of the Disaster Management Act, 2002 the cost of repairing or replacing public sector infrastructure should be borne by the organ of state responsible for the maintenance of such infrastructure. The National, Provincial and Local organs of state may contribute financially to response efforts and post – disaster recovery and rehabilitation.

Policy

The Municipality will correspond with the Provincial organs to gain funds for repairing assets damaged in disaster events. The municipality must adhere to the disaster management plan for prevention and mitigation of disaster in order to be able to attract the disaster management contribution during or after disaster.

SWARTLAND MUNICIPALITY



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BUDGET IMPLEMENTATION AND MONITORING POLICY (FINAL)

1. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means -

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget -

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including -

- (a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function/vote subject to limitations.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2)(a) of the MFMA;

"Councillor" means a member of a municipal council;

"Current year" means the financial year, which has already commenced, but not yet ended;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"Financial recovery plan" means a plan prepared in terms of section 141 of the MFMA;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year;

"Financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"Irregular expenditure", means –

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned by Council;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"Investment/s", in relation to funds of a municipality, means -

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"Local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Long-term debt" means debt repayable over a period exceeding one year;

"Municipal council" or **"council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipality"-

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)

"Municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"Municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"Official", means -

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Overspending"-

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"Service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate –

- (a) projections for each month of -
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"Unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"Virement" refer to the definition of budget transfer

"Vote" means -

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. INTRODUCTION

- 2.1 In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- 2.2 This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget is a tool for planning, control and it plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals.

3. OBJECTIVE

The objective of the budget policy is to set out:

- (a) The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget (MTREF);
- (b) The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget;
- (c) To control and inform the basis, format and information included in the Budget documentation; and
- (d) To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes.

4. BUDGET PRINCIPLES

- 4.1 The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels and shall not budget for a cash deficit.
- 4.2 Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- 4.3 Swartland Municipality shall prepare a five-year operating budget and a three-year capital budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council.
- 4.4 The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).

5. REGULATORY FRAMEWORK

- 5.1 Legislation and Policy Strategy Local Municipality is committed to comply with applicable legislation as it pertains to budgeting and financial management and the following examples of pieces of legislation are relevant:
- The Constitution of the Republic of South Africa
 - The Municipal Finance Management Act No 56 of 2003
 - The Municipal System Act (Act No 32 of 2000)
 - The Municipal Structure Act No.117 of 1998
 - The Municipal Property Rates Act 6 of 2004; and
 - Other applicable by-laws, ordinance or legislation

Cognisance must be taken of the National Treasury Circulars that may have an impact on the budgeting environment. All National Treasury Circulars will be considered.

6. ROLES AND RESPONSIBILITY OF CHIEF FINANCIAL OFFICER (CFO)

The CFO is administratively in charge of the budget and treasury office. The chief financial officer has an essential function in assisting the municipal manager to carry out his or her financial management responsibilities, in areas ranging from budget preparation to reporting and the development and maintenance of internal control procedures. The CFO plays a central role in implementing the financial reforms at the direction of the municipal manager with assistance of appropriately skilled staff.

- 6.1 The Chief Financial Officer shall be responsible for preparing the draft annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the cash and investments policy), and shall be accountable to the Accounting Officer in regard to the performance of these functions.
- 6.2 The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer into these budget processes.
- 6.3 The Chief Financial Officer shall provide input to the budget timetable for the ensuing financial year for the mayor's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, and target dates for the submission of all the budget-related documentation to the mayor, Budget Steering committee, executive committee and council.
- 6.4 In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote, provided that in so doing the chief financial officer shall properly and adequately reflect the organisational structure of the municipality, and further in so doing shall comply – in so far as the organisational structure permits – also with the prescribed budget format of National Treasury.
- 6.5 The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the any contributions to a reserve of the municipality, and the contributions to the provisions for impairment of debtors, accrued leave entitlements and obsolescence of stocks.
- 6.6 The Chief Financial Officer shall further, with the approval of the mayor and the Accounting Officer, determine the recommended contribution to the capital replacement reserve and any other contributions to other reserves of the municipality.

- 6.7 The Chief Financial Officer shall also, again with the approval of the mayor and the Accounting Officer, and having regard to the municipality's current financial performance, determines the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- 6.8 The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget.
- 6.9 The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budgets.
- 6.10 The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.
- 6.11 The Chief Financial Officer shall make recommendations on the financing of the draft capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.
- 6.12 The Chief Financial Officer shall ensure that the cost of any relief/rebate is separately reflected in the appropriate votes.
- 6.13 The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations are appropriately recorded.

7. APPROPRIATION OF FUNDS FOR EXPENDITURE

- 7.1 Section 15 of the MFMA regulates as follows regarding the incurring of expenditure against budgetary provisions.
- 7.2 "A municipality may, except where otherwise provided in this Act, incur expenditure only:
 - (a) in terms of an approved budget; and
 - (b) within the limits of the amounts appropriated for the different votes in an approved budget."

8. ANNUAL BUDGETS

- 8.1 In accordance with section 16 of the MFMA, the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- 8.2 In order for a municipality to comply with subsection (1) of section 16 of the MFMA, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- 8.3 Subsection (1) of section 16 of the MFMA does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

9. FUNDING OF EXPENDITURE

- 9.1 Section 18 of the MFMA prescribes as follows:
 - "(1) An annual budget may only be funded from—
 - (a) realistically anticipated revenues to be collected;
 - (b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - (c) borrowed funds, but only for the capital budget referred to in section 17(2).
 - (2) Revenue projections in the budget must be realistic, taking into account—
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous financial years."
- 9.2 Additional funding requirements is included in the Council approved Funding and Reserves policy.

10. BUDGET PREPARATION PROCESS

- 10.1. **Formulation of the budget**
 - 10.1.1 The Accounting Officer with the assistance of the Chief Financial Manager and the Manager responsible for IDP shall draft an IDP and Budget Time Schedule for the municipality including municipal entities for the ensuing financial year.
 - 10.1.2 The Executive Mayor shall table the IDP and Budget Time Schedule to Council by 31 August each year for approval (10 months before the start of the next budget year). The IDP and Budget Time Schedule shall indicate the key deadlines for the review of the IDP as well the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the MFMA, Municipal Budget and Reporting Regulations and the guidelines set by National Treasury.

10.1.3 The Executive Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP priorities, which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressure facing the municipality.

10.1.4 The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).

10.1.5 The Chief Financial Officer and senior managers undertake the technical preparation of the budget.

10.1.6 The budget must be in the format prescribed by the Municipal Budget and Reporting Regulations.

10.1.7 The budget must reflect realistically expected revenues for the budget year concerned.

10.1.8 The expenses reflected in the budget must be divided into items.

10.1.9 The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated revenues and expenses for the current year and the three prior year actual outcomes.

10.2 Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene public participations meetings on the draft budget during April and early May of each year and invite the public and stakeholder organisations to make representation at these meetings and to submit comments in response to the draft budget.

10.3 Approval of the budget

10.3.1 Council shall consider the Annual budget for approval not later than 31 May (30 days before the start of the budget year).

10.3.2 The council resolution must contain budget policies and performance measures shall be adopted.

10.3.3 Should the Council fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.

10.3.4 The budget table to Council for approval shall include the following supporting documents:

- Draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned,
- Measurable performance objectives for each budget vote, taking into account the municipality's IDP,

- The projected cash flows for the financial year by revenue sources and expenditure votes,
- Any proposed amendments to the IDP,
- Any proposed amendments to the budget-related policies,
- The cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers.
- Particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting such as Non-Governmental Organisations, welfare institutions and so on,
- Particulars of the municipality's investments, and
- Information in regard to municipal entities under the shared or sole control of the municipality.

10.4 Publication of the budget

10.4.1 When making public the draft annual budget and supporting documentation in terms of section 22(a) of the MFMA, read with section 21A of the Municipal Systems Act, the Accounting Officer must also make public any other information that the municipal council considers appropriate to facilitate the budget consultation process.

10.4.2 The annual budget must be submitted in both printed and electronic formats to the National Treasury and the relevant provincial treasury.

10.4.3 Within ten working days after the municipal council has approved the annual budget of a municipality, the Accounting Officer must in accordance with section 21 of the Municipal Systems Act make public the approved annual budget and supporting documentation and the resolutions referred to in section 24(2)(c) of the MFMA.

10.5 Service Delivery and Budget Implementation Plan (SDBIP)

10.5.1 The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

10.5.2 The SDBIP shall include the following components:

- a) Monthly projections of revenue to be collected for each source,
- b) Monthly projections of expenditure (operating and capital) and revenue for each vote,
- c) Quarterly projections of service delivery targets and performance indicators for each vote,
- d) Ward information for expenditure and service delivery,
- e) Detailed capital works plan broken down by ward over three years.

11. CAPITAL BUDGET

11.1 Basis of Calculation

11.1.1 The zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

11.1.2 The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

11.1.3 The impact of the capital budget on the current and future operating budget in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being compiled.

11.1.4 In addition, the council shall consider the likely impact of such operational expenses, net of any revenues expected to be generated by such item, on future property rates and service tariffs.

11.2 Budget Principles

11.2.1 Expenditure of a project shall be included in the capital budget if it meets the definition of a capital asset.

11.2.2 Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No global amounts shall be budgeted for vehicle acquisition.

11.2.3 The capital budget shall distinguish between the replacement of a capital asset and the renewal of a capital asset.

11.2.4 A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

11.2.5 The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and not been committed for other purposes.

11.2.6 Before approving a capital project, the Council must consider:

- The projected cost of the project over all the ensuing financial years until the project becomes operational, future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs),
- The impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loan,
- Depreciation of fixed assets,
- Maintenance of fixed assets, and
- Any other ordinary operational expenses associated with any item on such capital budget.

11.2.7 Council shall approve the annual or adjustment capital budget only if it has been fully funded.

11.3 Funding of Capital Budget

The capital expenditure shall be funded from the following source:

11.3.1 External loans

- External loans can be raised only if it is linked to the financing of a capital asset,
- A capital project to be financed from an external loan can only be included in the capital budget if the loans has been secured or if can be reasonably assumed as being secured,
- Interest payable on external loans shall be included as a cost in the Operating budget,
- Finance charges relating to such loans be charged to or apportioned only between the departments or votes to which the projects relate.

11.3.2 Capital Replacement Reserve (CRR)

Council shall establish a CRR for the purpose of financing capital projects for the acquiring of capital assets. Such reserve shall be established from the following sources of revenue:

- All cash proceeds on the sale of capital assets (including the sale of buildings and land),
- All cash proceeds from Developers Contributions and payments received in respect of the buyout of parking areas,
- Annual contribution equal to the depreciation of that financial year; less the repayment portion of the external loans (interest bearing borrowings),
- Increased contribution to the CRR if sufficient cash surpluses were generated through savings on expenditure or additional income sources.

Before any capital asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;

If there is insufficient cash available to fund the CRR, this reserve fund must then be adjusted to equal the available cash;

11.3.3 Grant Funding

11.3.3.1 Capital expenditure funded from grants must be budgeted for in the capital budget;

- Expenditure must be reimbursed from the unspent grant and recognised in the operating budget as transfers recognised – capital and must be budgeted for as such.
- Interest earned on investments due to unspent Conditional Grant Funding for which the grant condition stated the interest must accrue to the grant/project shall be capitalised to the unspent grant fund.
- If there is no condition stated then the interest must be allocated directly to the revenue accounts of the Municipality.

Grant funding needs to be secured in the form of cash before spending can take place. All unspent grants must be ring fenced and cash backed from available cash and cash equivalents.

12. OPERATING BUDGET

12.1 The municipality shall budget in each annual and adjustments budget for the contribution to:

- a) Provision for accrued leave entitlements equal to 100% of the accrued leave,
- b) Continued employee benefits as at 30 June of each financial year,
- c) Provision for impairment of debtors in accordance with its rates and tariffs policies and the generally recognised accounting standards,
- d) Provision for the obsolescence and deterioration of stock in accordance with its inventory management policy,

The level of cash funding in respect to a) and b) above must be decided by the Chief Financial Officer as part of the budget process annually.

12.2 Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.

12.3 A percentage of the operating budget component of each annual and adjustments budget shall be set aside for repairs and maintenance.

12.4 When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

12.5 Non capital expenditure funded from grants must be budgeted for as part of the revenue budget.

- a) Expenditure must be reimbursed from the unspent grant and recognised in the operating budget as transfers recognised – operational and must be budgeted for as such.

12.6 The operating budget shall reflect the impact of the capital component on:

- a) Depreciation charges,
- b) Repairs and maintenance expenses,
- c) Interest payable on external borrowings,
- d) Other operation expenses.

13. UNSPENT FUNDS AND ROLL-OVER OF BUDGET

13.1 The appropriation of funds in an Annual or Adjustment Budget will lapse to the extent that they are unspent by the end of the relevant budget year, except unspent grants (if the conditions for such grant funding allow that).

13.2 Conditions of the grant funding shall be taken into account in applying for rollover of grant funds;

13.3 Projects funded from the Capital Replacement Reserve may be rolled over from the year it originates with an adjustments budget (as prescribe in Municipal Budget and Reporting Regulations in terms of reg. 23(5) only if the following conditions is met:

13.3.1 The Chief Financial Officer must assess the funding requirements from and to the CRR for the next 3 budget years; and only if sufficient funding is available in the CRR may projects be considered for roll-over;

13.3.2 The funds to be rolled over must have been committed before the 30th June;

13.3.3 The relevant Senior Manager must provide a detailed report providing the reasons for non-compliance to the deadline of 30th June and proof to substantiate 13.3.2 above;

13.4 If the above mentioned conditions for the roll-over of a project could not be met, then the relevant Senior Manager must re-prioritise projects within his/her directorate in the next 3 year capital program to stay within the funding available within the CRR over the next 3 years and submit a report to this effect to be considered as part of the roll over adjustment budget.

13.5 Projects funded from Borrowings may be rolled over from the year it originates with an adjustments budget (as prescribe in reg 23 (5) of the Municipal Budget and Reporting Regulations) only if the funding is still available and no contract conditions of the investor or financier prohibits the roll over.

14. ADJUSTMENT BUDGET

14.1 Council may revise its annual budget by means of an adjustment budget in terms of section 28 of the MFMA and according to the timelines set out in the Municipal Budget and Reporting regulations section 23.

14.2 Section 28(2) of the MFMA determines when an adjustment must be done and when it may be prepared.

14.3 The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

14.4 The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.

14.5 The Council shall in such Adjustment Budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.

14.6 The Chief Financial Officer shall ensure that the Adjustment Budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the Mayor, are aligned with the IDP, comply with all budget related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.

- 14.7 The Council should also authorise the spending of unspent grant funding at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the Annual Budget was approved by the Council.
- 14.8 An Adjustment Budget must contain all of the following:
- b) an explanation of how the adjustments affect the approved Annual Budget;
 - c) appropriate motivations for material adjustments; and
 - d) an explanation of the impact of any increased spending on the current and future annual budgets.
- 14.9 Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- 14.10 Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget.

15. VIREMENT

Virement requirements and procedures can be found in Swartland's Virement Policy.

16. BUDGET IMPLEMENTATION

16.1 Monitoring

- 16.1.1 The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- funds are spent in accordance with the Budget;
 - expenses are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- 16.1.2 The Accounting Officer with the assistance of the Chief Financial Officer must prepare any Adjustment Budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.
- 16.1.3 The Accounting Officer must report in writing to the Council any impending shortfalls in the Annual Revenue Budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

16.2 Reporting

16.2.1 Monthly budget statements

- 16.2.1.1 The Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's Budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

16.2.1.2 This report must reflect the following:

- actual revenues per source, compared with budgeted revenues;
- actual expenses per vote, compared with budgeted expenses;
- actual capital expenditure per vote, compared with budgeted expenses;
- actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- the amount of allocations received, compared with the budgeted amount;
- actual expenses against allocations, but excluding expenses in respect of the equitable share;
- the remedial or corrective steps to be taken to ensure that the relevant projections remain within the Approved or Revised Budget; and
- projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

- 16.2.1.3 The report to the National Treasury must be both in electronic format and in a signed written document.

16.2.2 Quarterly Reports

- 16.2.2.1 The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the Budget and the financial state of affairs of the municipality.

16.2.2.3 Mid-year budget and performance assessment

- 16.2.2.3.1 The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the Service Delivery and Budget Implementation Plan.
- 16.2.2.3.2 The Accounting Officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- 16.2.2.3 The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the Annual Budget and for revising the projections of revenues and expenses set out in the Service Delivery and Budget Implementation Plan.

17. CONCLUSION

The Accounting Officer must place on the municipality's official website the following documentation with regards to the Budget policy:

- 17.1 The Annual and Adjustment Budgets and all budget-related documents;
- 17.2 The Budget-related policies;
- 17.3 The Annual Report;
- 17.4 All performance agreements;
- 17.5 All service delivery agreements;
- 17.6 All long-term borrowing contracts;
- 17.7 All quarterly and mid-year reports submitted to the Council on the implementation of the budget and the financial state of affairs of the municipality.

18. REVIEW OF POLICY

This policy will take effect on **1 July 2016** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, with relevant legislation and prudent expenditure management.

SWARTLAND MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, No 56 of 2003

Date of adoption: 1 January 2006

Amended: 11 May 2011

Amended: 16 May 2012

Amended: 15 May 2013

Amended: 21 May 2014

Amended: 13 May 2015

Amended: 11 May 2016

The Council of the Swartland Municipality resolves in terms of section 111 of the Local Government: Municipal Finance Management Act (Act No 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality:

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Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“**competitive bidding process**” means a competitive bidding process referred to in paragraph 12(1)(d) of this Policy;

“**competitive bid**” means a bid in terms of a competitive bidding process;

“**final award**”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“**formal written price quotation**” means quotations referred to in paragraph 12(1)(c) of this Policy;

“**in the service of the state**” means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or

- (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No 1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“long term contract” means a contract with a duration period exceeding one year;

“list of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this Policy;

“other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (a) the Constitution of the Republic of South Africa Act, 1996 (Act No 108 of 1996);
- (b) the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000);
- (c) the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- (d) the Construction Industry Development Board Act, 2000 (Act No 38 of 2000); and
- (e) the Prevention and Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004);
- (f) the Preferential Procurement Regulations, 2011;
- (g) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
- (h) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

- (i) National Treasury, MFMA Circular No. 34, Municipal Finance Management Act No. 56 of 2003, Reporting of awards above R 100 000
- (j) National Treasury, MFMA Circular No. 46, Municipal Finance Management Act No. 56 of 2003, Checking the prohibition status of recommended bidders
- (k) National Treasury, MFMA Circular No. 50, Municipal Finance Management Act No. 56 of 2003, Preparation of the municipal audit file (Stores & Consumables)
- (l) National Treasury, MFMA Circular No. 52, Municipal Finance Management Act No. 56 of 2003, Prohibition of restricted practices
- (m) National Treasury, MFMA Circular No. 53, Municipal Finance Management Act No. 56 of 2003, Amended guidelines in respect of bids that include functionality as a criterion for evaluation
- (n) National Treasury, MFMA Circular No. 56, Municipal Finance Management Act No. 56 of 2003, Database of restricted suppliers and training on the revised Preferential Procurement Regulations, 2011
- (o) National Treasury, MFMA Circular No. 62, Municipal Finance Management Act No. 56 of 2003, Enhancing compliance and accountability
- (p) National Treasury, MFMA Circular No. 68, Municipal Finance Management Act No. 56 of 2003, Unauthorised, irregular, fruitless and wasteful expenditure
- (q) National Treasury, MFMA Circular No. 69, Municipal Finance Management Act No. 56 of 2003, Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content
- (r) [National Treasury, MFMA Circular No. 82, Municipal Finance Management Act No. 56 of 2003, Cost Containment Measures \(as qualified under section 35.5\)](#)

“Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations;

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003); and

“written” quotations means quotations referred to in paragraph 12 (1)(b) of this policy.

CHAPTER 1

ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

2. (1) The principles of this policy are that it -
 - (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) complies with –
 - (i) the regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
- (2) The municipality pledges effective and efficient service delivery by acquiring goods and services of optimum value through best purchasing practices. The acquisition of goods, works and / or services are dealt with in accordance with the municipality's Preferential Procurement Policy and the revised PPPFA Regulations.

- (3) The municipality further supports the creation and maintenance of a good, sound business relationship with the bidding public in general, as well as with its valued supplier base, without which it cannot survive in a competitive market.
- (4) The municipality also seeks to develop and maintain positive, long term relationships based on mutual trust and respect with those suppliers who demonstrate their commitment to the municipality's shared goals. The municipality also commits itself to clarity in its communication of requirements, and to be professional, courteous, fair, factual and responsive in its business dealings.
- (5) The municipality may not act otherwise than in accordance with this policy when –
 - (a) procuring goods or services;
 - (b) disposing of goods no longer needed;
 - (c) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) selecting external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (6) This Policy, except where provided otherwise, does not apply in respect of:
 - (a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (ii) electricity from ESKOM or another public entity, another municipality or a municipal entity;

- (b) the acquisition of services of attorneys, advocates and labour relations practitioners subject that the acquisition of such services be dealt with in terms of the delegated powers as provided for in the Municipality's delegation register, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
- (c) the acquisition of services of management consultants, relating to information and communication technology as well as financial systems ~~and services~~ subject thereto that the acquisition of such services be dealt with in terms of the delegated powers as provided for in the Municipality's delegation register, as amended from time to time;
- (d) the acquisition of services of town planners and surveyors, subject thereto that the acquisition of such services be dealt with in terms of the delegated powers as provided for in the Municipality's delegation register, as amended from time to time;
- (e) the payment of accommodation and air travel for official purposes subject thereto that same be dealt with in terms of the Municipality's Travelling and Subsistence Policy, as amended from time to time, as well as in terms of the delegated powers as provided for in the Municipality's delegation register, as amended from time to time;
- ~~(f) any contract relating to the publication of notices and advertisements by the municipality;~~
- ~~(g) (f)~~ insurance claims;
- ~~(h) (g)~~ repairs and servicing of vehicles, where the vehicles must be repaired and or serviced by the relevant agency/authorized dealer or manufacturer.

- ~~(h)~~ (h) supply of property registration information by Deeds Office.
- ~~(i)~~ (i) training, courses, seminars, conferences and/or workshops presented by the municipality's systems providers or a single provider.
- ~~(j)~~ (j) the acquisition of driving license cards and learners license test material from the service provider officially appointed by the National Department of Transport.
- ~~(k)~~ (k) provision of material for structural damage in a disaster situation in terms of the Municipality's Disaster Management Plan
- ~~(l)~~ (l) machinery or other equipment serviced and repaired by the agent of that machinery or equipment
- ~~(m)~~ (m) Pauper burials and cremations.
- ~~(n)~~ (n) annual membership fees of council and employees payable to registered municipal organisations.
- ~~(o)~~ (o) The acquisition of services of medical specialists as may be required from time to time and in terms of the Pension Funds Amendment Act, Act 65 of 2001 and related regulations and amendments.
- ~~(p)~~ (p) the disposal of capital assets in terms of the Municipality's Municipal Asset Transfer Policy.
- ~~(q)~~ (q) refresher training courses where initial training has already been provided by the same supplier

(r) machinery and equipment that has to be stripped before a quote can be obtained

Adoption and amendment of the Supply Chain Management Policy

3. (1) The Accounting Officer must –
 - (a) at least annually review the execution of provisions contained in this policy; and
 - (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this policy to the Council.
- (2) If the Accounting Officer submits a draft policy to the Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
 - (a) ensure that such draft policy complies with the regulations; and
 - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- (4) The Accounting Officer must, in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality has and implements this Supply Chain Management Policy.

Delegation of supply chain management powers and duties

4. (1) The Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 of the Act; and
 - (ii) this policy;

- (b) to maximise administrative and operational efficiency in the implementation of this policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Section 79 and 106 of the Act applies to the sub delegation of powers and duties delegated to the Accounting Officer in terms of paragraph 4(1) of this policy.
 - (3) The Council or Accounting Officer may not delegate or sub delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.
 - (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this policy.

Sub delegations

5. (1) The Accounting Officer may in terms of section 79 of the Act sub delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this policy, but any such sub delegation must be consistent with paragraph 4 and paragraph 5(2) of this policy.
- (2) The power to make a final award –
 - (a) above R10 million (VAT included) may not be sub delegated by the Accounting Officer;
 - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated, but only to –

- (i) the Chief Financial Officer;
 - (ii) a Director of a department; or
 - (iii) a bid adjudication committee of which the Chief Financial Officer or Director of a department is a member.
- (c) not exceeding R2 million (VAT included) may be sub delegated, but only to–
 - (i) the Chief Financial Officer;
 - (ii) a Director of a department;
 - (iii) an official directly accountable to the Chief Financial Officer or a Director; or
 - (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with paragraph 5(2) of this policy must within five (5) working days of the end of each month submit to the official referred to in paragraph 5(4) of this Policy a written report containing particulars of each final award made by such official or committee during that month, including –
 - (a) the amount of the award;
 - (b) the name of the supplier or person to whom the award was made; and
 - (c) the reason why the award was made to that supplier or person.
- (4) A written report referred to in paragraph 5(3) of this Policy must be submitted –
 - (a) to the Accounting Officer, in the case of an award by –
 - (i) the Chief Financial Officer;
 - (ii) a Director of a department; or
 - (iii) a bid adjudication committee of which the Chief Financial Officer or a Director is a member; or
 - (b) to the Chief Financial Officer or the Director responsible for the relevant bid, in the case of an award by –

- (i) an official referred to in paragraph 5(2)(c)(iii) of this policy; or
 - (ii) a bid adjudication committee of which the Chief Financial Officer or a Director is not a member.
- (5) Paragraphs 5(3) and 5(4) do not apply to procurements by way of direct purchases described in paragraph 15 of this policy.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.
- (8) The power to cancel bids on recommendation by the relevant department.

Oversight role of Council

- 6. (1) The Council must maintain oversight over the implementation of this policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the municipality to the council of the municipality; and
 - (b) whenever there are serious and material problems in the implementation of such Supply Chain Management Policy, immediately submit a report to the Council.
- (3) The Accounting Officer must, within ten (10) working days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

Supply chain management unit

7. (1) One supply chain management unit is hereby established to implement this policy.
- (2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training.
 - (a) The accounting officer and all other officials of the municipality involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.
 - (b) The municipality must for the purposes of subsection (a) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.
 - (c) The National Treasury or a provincial treasury may assist municipalities and municipal entities in the training of officials referred to in subsection (a).

CHAPTER 2 FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This policy provides systems for –
 - (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) performance management.

Part 1: Demand management

System of demand management

10. (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must -
 - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - (c) provide for the compilation of the required specifications to ensure that its needs are met.
 - (d) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximised.

Part 2: Acquisition management

System of acquisition management

11. (1) The Accounting Officer must implement an effective system of acquisition management in order to ensure that –
- (a) goods and services are procured by the municipality in accordance with authorised processes only;
 - (b) expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) the threshold values for the different procurement processes are complied with;
 - (d) bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the supply chain management system, including -
- (a) the kind of goods or services; and
 - (b) the name of the supplier.

Range of procurement processes

12. (1) Goods and services may only be provided by way of –
- (a) direct purchases, up to a transaction value of R2 000 (VAT included);
 - (b) written quotations for procurements of a transaction value over R2 000 up to R30 000 (VAT included);
 - (c) formal written price quotations for procurements of a transaction value over R30 000 up to R200 000 (VAT included), subject to paragraph 18(b); and

- (d) a competitive bidding process for–
 - (i) procurements above a transaction value of R200 000 (VAT included); and
 - (ii) the procurement of long term contracts.
- (2) The Accounting Officer may, in writing -
- (a) lower, but not increase, the different threshold values specified in paragraph 12(1); or
 - (b) direct that –
 - (i) written quotations be obtained for any specific procurement of a transaction value lower than R2 000 (VAT included);
 - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
 - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (VAT included).
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of this policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

General preconditions for consideration of written quotations or bids

- 13.1 A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
- (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number;
 - (iii) tax reference number and VAT registration number, if any; and
 - (iv) tax clearance from the South African Revenue Services that the provider's tax matters are in order; in those cases where the quotation or bid is more than R30 000,00 (VAT included)

- (b) has indicated –
- (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in paragraph 13(b)(ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

13.2 The following are minimum requirements for compliance to the CIDB regulations for all formal tenders (above R200 000):

- (i) The verification of contractor registration and grading on the CIDB website.
- (ii) Utilisation of contractors registered with the CIDB.
- (iii) Ensuring that the prescribed CIDB (uniformity standard bid documents) bid documents for construction related are utilised.
- (iv) Assessing bidders' documents against the prescribed CIDB contractor requirements.
- (v) Registration of every project approved by the Municipality, consisting of construction works contract with the CIDB.
- (vi) The advertising of construction contracts on the CIDB i-tender system.
- (vii) The updating and completion of contracts registered on the i-tender system.
- (viii) Issuing of dates in respect of completion certificates, renewals, terminations or cancellations, the settlement of all amounts owing to contractors in accordance with contracts and the submission of status reports to the CIDB.
- (ix) The placing of registered contractors or any principals of that contractor under any restriction to participate in public procurement as contemplated in the CIDB Regulations.
- (x) Suspension and deregistration of contractors as contemplated in the CIDB Regulations.
- (xi) Complaints and grievances by actions taken in terms of the CIDB Regulations.
- (xii) Failure to comply with the CIDB Regulations.
- (xiii) Construction contracts arranged by consultants to adhere to all of the abovementioned requirements and CIDB Regulations.
- (xiv) Consultants' remuneration is aligned to the CIDB's guidance.

- (xv) Consultants providing consulting services for construction related contracts and any of their affiliates to be disqualified from subsequently providing goods or works or services related to the project.
- (xvi) Subcontracting arrangements and joint-venture initiatives to be aligned to CIDB guidelines and requirements.
- (xvii) The Municipality must take cognisance of CIDB Regulation 23 which provides for the application of Part IV of the CIDB Regulations. CIDB regulation 23 clearly states that Part IV of the Regulations, which deals with the invitation, award and management of construction works, should be applied to all such procurement above the value of R30 000.

Lists of accredited prospective providers

- 14.** (1) The Accounting Officer must –
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written quotations and formal written price quotations;
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers.
 - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

Direct purchases (value up to R2 000, VAT included)

15. (1) The conditions for the procurement of goods by means of direct purchases referred to in paragraph 12(1) (a) of this policy, are that –
- (a) minor items are purchased for up to a transaction value of R2 000 (VAT included) where it is impractical, impossible or not cost-effective to obtain written or formal quotations, subject to normal internal control procedures;
 - (b) orders must be placed with providers whose names appear on the list of accredited prospective providers of the municipality, if they are capable to deliver the required goods; or from providers who are not listed but who meet the listing criteria referred to in paragraph 14(1)(c), and
 - (c) the procurement is made by the supply chain management unit.
- (2) A monthly reconciliation report from the supply chain management unit must be provided to the Chief Financial Officer, including –
- (a) the total amount of direct purchases for that month; and
 - (b) goods receipt notes and appropriate documents for each purchase.

Written quotations (transaction value more than R2 000 up to R30 000 Vat included)

16. The conditions for the procurement of goods or services through written quotations are as follows:-
- (a) quotations must be obtained from at least three different providers preferably from, but not limited to providers whose names appear on the list of accredited prospective providers of the municipality; provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria referred to in paragraph 14(1) of this policy;
 - (b) to the extent feasible providers must be requested to submit such quotations in writing;
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or an official designated by the Accounting Officer; and

- (d) the Accounting Officer must record the names of the potential providers requested to provide such quotations with their written quoted prices.

Formal written price quotations (transaction value more than R2 000 up to R200 000 VAT included)

17. (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:-
- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality; provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(c) of this Policy;
 - (b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer; and
 - (c) the Accounting Officer must record the names of the potential providers requested to provide such quotations and their formal written price quotations.
- (2) The designated official referred to in paragraph 17(1)(b) must within three (3) working days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that paragraph.

Procedures for procuring goods or services through written quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written quotations and formal written price quotations, is as follows:-
- (a) when using the list of accredited prospective providers the Accounting Officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the

requirements of paragraph 17, be advertised for at least seven days on the website and the official notice boards of the municipality;

- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused;
- (e) the Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
- (f) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (g) offers with a value of R30 000 (VAT included) and above are subject to the preference points system (PPPFA and associated regulations) and must be dealt with according to the Council's Preferential Procurement Policy; and
- (h) the Chief Financial Officer must set requirements for proper record keeping of all informal written and formal written price quotations accepted on behalf of the municipality.

Competitive bidding process

- 19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraphs 11(2) and 36 of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Process for competitive bidding

- 20. (1) The procedures for the following stages of a competitive bidding process are as follows:-
 - (a) Compilation of bidding documentation, detailed in paragraph 21.

- (b) Public invitation of bids, detailed in paragraph 22.
 - (c) Site meetings or briefing sessions, detailed in paragraph 22.
 - (d) Handling of bids submitted in response to public invitation, detailed in paragraph 23.
 - (e) Evaluation of bids, detailed in paragraph 28.
 - (f) Awarding of contracts, detailed in paragraph 29.
 - (g) Administration of contracts –
 - (i) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement.
 - (h) Proper record keeping –
 - (i) Original / legal copies of written contracts and agreements must be kept in a secure place for reference purposes.
- (2) The procedures for bids in excess of R10 million (all applicable taxes included):
 - (a) **Verification by the Chief Financial Officer prior to advertisement of bids above R10 million**

The following information must be submitted by the senior manager responsible for the Vote to the CFO **prior** to the public advertisement of any bids in excess of R10 million (all applicable taxes included):

 - (a) Proof that budgetary provision exists for procurement of the goods, services and/or infrastructure projects;
 - (b) Any ancillary budgetary implications related to the bid, for example, if the project is for the acquisition of a municipal asset, does budgetary provision exist for the operation of the asset, maintenance costs relating to the asset, administration costs and rehabilitation/renewal costs;
 - (c) Any multi-year budgetary implications, for example, if a project will take more than one financial year, the estimated expenditure per financial year.

Goods, services and/or infrastructure projects above the value of R10 million (all applicable taxes included) may only be advertised after the CFO has verified in writing that budgetary provision exists for the commencement of the particular project.

Requirements may not be deliberately split into parts or items of lesser value merely to avoid the information being submitted.

(b) Verification from the Chief Financial Officer prior to the award of contracts above the value of R10 million

Contracts above the value of R10 million (all applicable taxes included) may only be awarded to the preferred bidder after the Chief Financial Officer has verified in writing that budgetary provision exists for the acquisition of the goods, infrastructure projects and/or services and that it is consistent with the Integrated Development Plan.

(c) Confirmation of bidding process for bids in excess of R10 million (all applicable taxes included)

Internal audit units must compile risk based audit plans, review internal control measures, and ensure that supply chain management is sufficiently and adequately covered in the annual coverage plan.

Internal auditors must be alert to fraud risks and design audit procedures and indicators that would reasonably assist in preventing and detecting potential or actual fraud and corruption.

During competitive bidding and adjudication processes or before the award of a contract, the accounting officer may, at his or her discretion, specifically request the internal audit function to carry out audit procedures and provide an opinion on compliance of the bidding process with the Municipal Supply Chain Management Regulations.

Where bids involve internal audit service, the audit of the bidding process may be outsourced to an independent external service provider or internal audit function of another organ of state, subject to the oversight of the audit committee.

The accounting officer may, at his or her discretion, decide to have a specific contract audited by external service providers prior to the award of the contract.

Bid documentation for competitive bids

- 21. (1)** The criteria to which bid documentation for a competitive bidding process must comply, must –
- (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) include the evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish –
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;

- (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic;
 - (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;
 - (f) require a surety guarantee in appropriate cases;
 - (g) indicate the value or extent to which the execution of the contract should or should not be subcontracted; and
 - (h) submit a certificate from the Department of Labour indicating compliance with the Occupational Health and Safety Act, 1993 (Act No 85 of 1993).
 - (i) require bidders to furnish a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 3 months.
- (2) A non-refundable charge in terms of the Council's approved tariff structure shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality.

- (3) Bid documents may allow for bidders to bid for one or more items or for a part of one or more items but the municipality reserves the right to accept part of a bid or a complete bid or quotation even if it is not the lowest, provided the interests of the municipality are best served thereby. Bid documents must be specific as certain contracts, e.g. the construction of a bridge, may require that the whole contract is to be completed by the same contractor.
- (4) Where bidders insert prices on price lists supplied by the municipality they shall delete items for which they do not bid or if the price has been included elsewhere in the price list. After bid/quotations have been opened bidders may not supplement their original offer if the original offer was incomplete.

Public invitation for competitive bids

22. (1) The procedure for the invitation of competitive bids is as follows:-

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Bid Bulletin); and
- (b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or not less than 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to paragraph 22(2) of this Policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions.

- (2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

- 23.** (1) The procedures for the handling, opening and recording of bids, are as follows:-
- (a) Bids –
 - (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.
 - (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
 - (c) No information, except the provisions in paragraph 23(1)(b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - (d) The Accounting Officer must –
 - (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection;
 - (iii) publish the entries in the register and the bid results on the website;
 - (iv) after the closure of any advertised competitive bid (above the threshold value of R200 000 - all applicable taxes included),

publish on the municipality's website the reference number of the bid, the description of the goods, services or infrastructure project, names of all bidders, the B-BBEE status level of contribution of all bidders, where applicable, the local content percentages of the goods offered and where practical, total price of the bids, by all bidders that submitted bids in relation to that particular advertisement. Copies should be made available at municipal offices and libraries. The municipality should endeavor to publish the aforementioned information within ten (10) working days after closure of the bid and it must remain on the website of the municipality for at least thirty (30) days;

- (v) in accordance with section 75 (1) (g) of the MFMA, place on the website all supply chain management contracts above the value of R200 000 (including all applicable taxes).

The following information on the successful bids must be made available on the municipal website:

- (a) Contract numbers and description of goods, services or infrastructure projects;
- (b) Names of the successful bidder(s) and the B-BBEE level of contribution claimed;
- (c) The contract price(s), and;
- (d) Brand names and dates for completion of contracts.

Records of such publication must be retained for audit purposes.

Negotiations with preferred bidders and communication with prospective providers and bidders

24. (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.

Two-stage bidding process

25. (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

26. (1) The following committees are hereby established –
- (a) bid specification committees;
 - (b) bid evaluation committees; and
 - (c) a bid adjudication committee.
- (2) The Accounting Officer is required to appoint the members of each committee, taking into account section 117 of the Act.

- (3) The Accounting Officer is required to appoint a neutral or independent observer to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
 - (a) paragraphs 27, 28 and 29 of this Policy; and
 - (b) any other applicable legislation.
- (5) The Accounting Officer may apply the committee system to formal written price quotations.

Bid specification committees

27. (1) The appropriate bid specification committee must compile the specifications for the procurement of goods or services by the municipality, depending on the department involved.
- (2) Specifications –
- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) where possible, must be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics

of the work, in which case such reference must be accompanied by the word "equivalent";

- (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2011; and
 - (g) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
- (3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
 - (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid evaluation committees

- 28.** (1) The bid evaluation committee must –
- (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f).
 - (b) evaluate each bidder's ability to execute the contract;
 - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and
 - (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) The bid evaluation committee must as far as possible be composed of–
- (a) officials from departments requiring the goods or services; and
 - (b) at least one supply chain management practitioner of the municipality.

Bid adjudication committees

- 29.** (1) The bid adjudication committee must –
- (a) consider the report and recommendations of the bid evaluation committee; and
 - (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- (2) The bid adjudication committee must consist of at least four senior managers of the municipality which must include –
- (a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
 - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
 - (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
 - (ii) notify the Accounting Officer.
- (b) The Accounting Officer may –
 - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph 29(5)(a); and
 - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days.

Procurement of banking services

- 30.** (1) Banking services –
- (a) must be procured through competitive bids;
 - (b) must be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than sixty (60) days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990).

Procurement of IT related goods or services

- 31.** (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –
- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Council, the National Treasury, the relevant provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

- 32.** (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) there is no reason to believe that such contract was not validly procured;
 - (c) there are demonstrable discounts or benefits to do so; and
 - (d) that other organ of state and the provider have consented to such procurement in writing.

- (2) Paragraphs 32(1)(c) and (d) do not apply if –
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

Procurement of goods necessitating special safety arrangements

- 33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

Minimum thresholds for local production and content

- 34. Prescribed conditions and minimum thresholds in respect of local content for designated sectors are provided for in the Preferential Procurement Policy of the municipality.

Appointment of consultants

- 35. Subject to the deviation allowed in paragraph 2 (6) (c) of this Policy
 - (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines and CIDB requirements in respect of consulting services are taken into account when such procurements are made.
 - (2) Consultancy services must be procured through competitive bids if-
 - (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
 - (3) In addition to any requirements prescribed by this Policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.
- (5) The Accounting Officer shall as far as possible endeavour to realize the following cost containment measures when engaging with consultants:
 - i. Accounting Officers shall only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.
 - ii. Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.
 - iii. Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those:
 - o determined in the "Guidelines on fees for audits done on behalf of the Auditor-General South Africa", issued by the South African Institute of Chartered Accountants (SAICA);
 - o set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or
 - o Prescribed by the body regulating the profession of the consultant.
 - iv. Ensure an exacting "specification" of the work to be accomplished, accompanies the tender and is used as a monitoring tool and appropriately recorded and monitored.
 - v. Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.
 - vi. That contracts/services are concluded based on the best "value for money" principles, i.e. matching fees against quality and against benchmarked practices.
 - vii. The appointing of consultants on a time and cost basis with specific start and end dates.

- viii. Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs.
- ix. Endeavour to ensure that when travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions:
 - a) Hotel accommodation may not exceed the amount determined by National Treasury;
 - b) Only economy class air tickets may be purchased for flights;
 - c) Only group B vehicles or lower may be hired for engagements, as determined by National Treasury;
 - d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.
- x. To develop consultancy reduction plans.
- xi. Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy.

Deviation from, and ratification of minor breaches of, procurement processes

36. (1) The Accounting Officer may –
- (a) Dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or botanical specimens for nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

- (2) The Accounting Officer must record the reasons for any deviations in terms of paragraphs 36(1)(a) and (b) of this Policy and report them to the next meeting of the Council and include as a note to the annual financial statements.
- (3) Paragraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this Policy.
- (4) In those cases where the terms of reference of a quotation or tender which had already been approved by either the supply chain manager or the bid adjudication committee in terms of delegated authority and which as a matter of sheer necessity has to be adjusted or expanded, the Accounting Officer may - in conjunction with the Chief Financial Officer – authorise the adjustment or expansion of such a contract, provided that –
 - (i) a written quotation be obtained from the contractor/service provider concerned for the proposed adjustment or expansion of the contract;
 - (ii) the adjustment or expansion of the contract does not result in an increase of more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original approved contract amount;
 - (iii) the increased contract amount does not exceed the amount that had been budgeted for the procurement of such goods or services;
 - (iv) this delegation shall not be construed to be an authorization to apply savings on an amount budgeted for a specific purpose to meet expenditure for another purpose, whether budgeted or not.

Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) the person who made the bid is the sole provider of the product or service; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with paragraph 37(2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- (a) reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The Accounting Officer must submit written comments received pursuant to paragraph 37(3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
- (a) any comments submitted by the public; and

- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

Combating of abuse of supply chain management system

- 38.** (1) In order to combat the abuse of the supply chain management system the Accounting Officer must –
- (a) take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) reject any bid from a bidder –
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality,

- or to any other municipality or municipal entity, are in arrears for more than three months; or
- (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Bid Defaulters In terms section 29 of the Prevention and Combating of Corrupt Activities Act (Act No 12 of 2004).
- (h) invalidate recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by—
 - (i) councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or

- (ii) municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of paragraphs 38(1)(b)(ii), (e) or (f) of this policy.
- 3) Restrictive practices are prohibited
 - a) In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder is or a contractor was involved in collusive bidding.
 - b) If a bidder or contractor, based on reasonable grounds or evidence obtained by the municipality, has engaged in the restrictive practice referred to above, the municipality may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.
 - c) If a bidder or contractor has been found guilty by the Competition Commission of the restrictive practice referred to above, the municipality may, in addition and without prejudice to any other remedy provided for, invalidate the bid for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder or contractor from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder or contractor concerned.

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

39. The Accounting Officer must establish and implement an effective system of logistics management, which must include -
- (a) the monitoring of spending patterns on types or classes of goods and services which should, where practical, incorporate the coding of items to ensure that each item has a unique number for the purposes of monitoring;
 - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) the placing of manual or electronic orders for all acquisitions;
 - (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted / in terms of a contract;
 - (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) regular checking to ensure that all assets, including official vehicles, are properly managed, appropriately maintained and only used for official purposes; and
 - (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Disposal management

40. (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to section 14 of the Act are as follows—
- (a) the asset is uneconomical to repair;
 - (b) the asset is irreparable;
 - (c) the useful life of the asset has expired;
 - (d) the relevant department has no further use for the asset;

- (e) no other department requires the asset; and
- (2) Assets must be disposed of by—
- (a) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (b) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (c) selling the asset; or
 - (d) destroying the asset.
- (3) The Accounting Officer must ensure that –
- (a) immovable assets are sold or let in terms of the Municipality's Asset Transfer policy;
 - (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
 - (c) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment;
 - (d) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;
 - (e) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (f) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
 - (g) where assets are traded in for other assets, the highest possible trade-in price is negotiated.

Risk management

41. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows –
- (a) non compliance by the supplier to deliver within the agreed timeframes;
 - (b) supply of inferior goods or services by the supplier;
 - (c) inability of the supplier to provide goods or services as ordered;
 - (d) non adherence to the municipality's Policy with regards to utilisation of preferred suppliers; and
 - (e) procurement of goods or services at prices or of a quality not in the best interest of the municipality.
- (2) Risk management must include –
- (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

42. The Accounting Officer must ensure that an effective internal monitoring system is implemented in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the measurable performance objectives linked to and approved with the budget and the service delivery and budget implementation plan were achieved.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

43. (1) The Accounting Officer must ensure that, irrespective of the procurement process followed, no award above R30 000 (VAT included) is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a provider or bidder, a tax clearance certificate from SARS must first be provided as contemplated in paragraph 13(a)(iv).

Prohibition on awards to persons in the service of the state

44. The Accounting Officer must ensure that irrespective of the procurement process followed, no award may be made to a person –
- (a) who is in the service of the state; or
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) who is an advisor or consultant contracted with the municipality in respect of a contract that would cause a conflict of interest.

Awards to close family members of persons in the service of the state

45. The notes to the annual financial statements must disclose particulars of any award of more than R2 000 (VAT included) to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
- (a) the name of that person;
 - (b) the capacity in which that person is in the service of the state; and
 - (c) the amount of the award.

Ethical standards

- 46.** (1) A code of ethical standards is hereby established, in accordance with paragraph 46(2), for officials and other role players in the supply chain management system of the municipality in order to promote –
- (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of this Supply Chain Management Policy –
- (a) must treat all providers and potential providers equitably;
 - (b) may not use his or her position for private gain or to improperly benefit another person;
 - (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
 - (d) notwithstanding paragraph 46(2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality;
 - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) must be scrupulous in his or her use of property belonging to the municipality;

- (h) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - (i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of paragraph 47(1) of this Policy; or
 - (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of paragraphs 46(2)(d) and (e) -
- (a) must be recorded in a register which the Accounting Officer must keep for this purpose;
 - (b) by the Accounting Officer must be made to the Mayor of the municipality who must ensure that such declarations are recorded in the register.
- (4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
- (5) A breach of the code of ethics must be dealt with as follows -
- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

Inducements, rewards, gifts and favours to municipalities, officials and other role players

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
- (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of paragraph 47(1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Paragraph 47(1) does not apply to gifts less than R350 in value.

Sponsorships

48. The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

50. (1) The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
- (a) to assist in the resolution of disputes between the municipality and other persons regarding -
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
- (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

51. If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
- (a) a cap on the compensation payable to the service provider; and
 - (b) that such compensation must be performance based.

Payment of sub-contractors or joint venture partners

52. The Chief Financial Officer or an official designated by the Chief Financial Officer may consent to the direct payment of sub-contractors or joint venture partners by way of -
- (a) an approved cession; or
 - (b) an agreement for direct payment.

Short title and commencement

53. This Policy is called the “*Supply Chain Management Policy of the Swartland Municipality*” and takes effect on 1 January 2006.

SWARTLAND MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

PREFERENTIAL PROCUREMENT POLICY adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2011.

Adopted: 16 May 2012 (replacing the Preferential Procurement Policy adopted on 17 June 2003)

Amended: 21 May 2014

Amended: May 2016

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PART ONE

DEFINITIONS AND APPLICATION

1. Definitions

1. In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

- (a) "**Act**" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) "**all applicable taxes**" includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
- (c) "**B-BBEE**" means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
- (d) "**B-BBEE status level of contributor**" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (e) "**Broad-Based Black Economic Empowerment Act**" (B-BBEEA) means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
- (f) "**Comparative price**" means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- (g) "**Consortium or Joint Venture**" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- (h) "**Contract**" means the agreement that results from the acceptance of a bid by the Swartland Municipality;
- (i) "**designated sector**" means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content
- (j) "**Exempted Micro Enterprise**" means an Entity with an annual turnover of R 10 (ten) million or less;
- (k) "**Firm price**" is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

- (l) "**Functionality**" means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
- (m) "**imported content**" means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;
- (n) "**local content**" means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
- (o) "**Micro-Enterprise**" means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack 'formality' in terms of business licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of micro-enterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.
- (p) "**Non-firm prices**" means all prices other than "firm" prices;
- (q) "**Qualifying Small Enterprise**" means an Entity that qualifies for measurement under the Qualifying Small Enterprise scorecard with a turnover of R10 million or more but less than R50 million;
- (r) "**Person**" includes reference to a juristic person;
- (s) "**Rand value**" means the total estimated value of a contract in South African currency, calculated at the time of bid invitations and includes all applicable taxes and excise duties;
- (t) "**Start-up Enterprise**" means a recently formed or incorporated Entity that has been in operation for less than 1 year. A start-up enterprise does not include any newly constituted enterprise which merely a continuation of a pre-existing enterprise;
- (u) "**Stipulated minimum threshold**" means that portion of local production and content as determined by the Department of Trade and Industry;
- (v) "**Sub-Contract**" means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- (w) "**Supplier**" means any supplier or service provider to a Measured Entity if any portion of the supply or service provision falls within the definition of Total Measured Procurement Spend;

- (x) "**Survivalist Enterprise**" means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
- (y) "**Tender**" means a written offer in a prescribed or stipulated form in response to an invitation by the Swartland Municipality for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (z) "**the Codes**" means the Codes of Good Practice including all the statements as issued under section 9 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
- (aa) "**the Generic Scorecard**" means the balanced B-BBEE scorecard as contained in statement 000, Gazette No. 36928, B-BBEE Codes of Good Practice of 11 October 2013;
- (ab) "**Total revenue**" bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
- (ac) "**Trust**" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- (ad) "**Trustee**" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
- (ae) "**51% Black Owned**" means an Entity in which:
- Black people hold at least 51% of the exercisable voting rights as determined under Code series 100, Gazette No. 36928, B-BBEE Codes of Good Practice of 11 October 2013;
 - black people hold at least 51% of the economic interest as determined under Code series 100, Gazette No. 36928, B-BBEE Codes of Good Practice of 11 October 2013; and
 - has earned all the points for Net Value under statement 100, Gazette No. 36928, B-BBEE Codes of Good Practice of 11 October 2013;

2. Application, Objectives & General Requirements

2.1 Application

The Swartland Municipality must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Regulations.

2.2 Objectives

The objectives of Councils' policy are to:

- (1) Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
- (2) Provide access to contracts for historical disadvantaged individuals;
- (3) Promote capacity development and skills transfer;
- (4) Promote Local Economic Development.

2.3 General requirements

- (1) Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
- (2) Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

PART TWO

PREFERENCE POINT SYSTEM AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS, EVALUATION OF BIDS ON FUNCTIONALITY, AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF BIDS

3. Planning and stipulation of preference point system to be utilized

The Swartland Municipality must, prior to making an invitation for bids-

- (a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for bids is to be made; and
- (b) determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the bids.
- (c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of Paragraph 9.

4. Evaluation of bids based on functionality

- (1) The Swartland Municipality must in the bid documents indicate if, in respect of a particular bid invitation, bids will also be evaluated on functionality;
- (2) The evaluation criteria for measuring functionality must be objective.
- (3) Bids invited on the basis of functionality as a criterion must be evaluated in two stages – first functionality must be assessed and then in accordance with the 80/20 or 90/10 preference point systems prescribed in Paragraph 5 and 6. The evaluation must be done as follows:

(3.1) First stage – Evaluation of functionality

- Bids must be evaluated in terms of the evaluation criteria embodied in the bid documents. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardise the fairness of the process.
- A bid will be considered further if it achieves the prescribed minimum qualifying score for functionality.
- Bids that fail to achieve the minimum qualifying score for functionality must be disqualified.
- Score sheets should be prepared and provided to panel members to evaluate the bids.

- The score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation as indicated in the bid documents.
- Each panel member should after thorough evaluation independently award his / her own value to each individual criterion.
- Score sheets should be signed by panel members and if necessary, written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist.
- If the minimum qualifying score for functionality is indicated as a percentage in the bid documents, the percentage scored for functionality may be calculated as follows:
 - a. The value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria;
 - b. The scores for each criterion should be added to obtain the total score; and
 - c. The following formula should be used to convert the total score to percentage for functionality:

$$Ps = \frac{So}{Ms} \times 100$$

where:

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score

- The percentage of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

(3.2) Second stage – Evaluation in terms of the 80/20 or 90/10 preference point systems

- Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the 80/20 or 90/10 preference point systems prescribed in Paragraph 5 and 6.

5. The 80/20 preference point system for acquisition of goods, works and / or services up to a Rand value of R1,0 million

- (1)(a) The following formula must be used to calculate the points for price in respect of competitive bids / price quotations with a Rand value equal to, or above R30 000 and up to a Rand value of R1 000 000 (all applicable taxes included):

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of bid / offer under consideration

P_t = Comparative price of bid / offer under consideration

P_{\min} = Comparative price of lowest acceptable bid / offer.

- (1)(b) The Swartland Municipality may, however, apply this formula for price quotations with a value less than R 30 000, if and when appropriate.
- (2) A maximum of 20 points must be awarded to a bidder for attaining the B-BBEE status level contemplated in the B-BBEE Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007.
- (3) Points must be awarded to a bidder on the following basis:

B-BBEE Status Level of Contributor	Number of points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- (4) The points scored by a bidder in respect of B-BBEE contribution contemplated in sub regulation (3) must be added to the points scored for price.
- (5) Only the bid with the highest number of points scored may be selected.

6. The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R1,0 million

- (1) The following formula must be used to calculate the points for price in respect of bids with a Rand value above R1 000 000 (all applicable taxes included):

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of tender or offer under consideration;

P_t = Comparative price of tender or offer under consideration; and

P_{\min} = Comparative price of lowest acceptable tender or offer.

- (2) Subject to sub-paragraph (3), points must be awarded to a tenderer for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- (3) A maximum of 10 points be allocated in accordance with sub-paragraph (2).

- (4) The points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in sub-paragraph (2) must be added to the points scored for price as calculated in accordance with sub-paragraph (1).
- (5) Subject to regulation 7, the contract must be awarded to the tenderer who scores the highest total number of points.

7. Award of contract to bids not scoring the highest number of points

A contract may be awarded to a tenderer that did not score the highest total number of points if objective criteria in addition to specific goals justify the award to another tenderer.

8. Cancellation and re-invitation of bids

- (1) (a) In the event that, in the application of the 80/20 preference point system as stipulated in the tender documents, all tenders received exceed the estimated Rand value of R1 000 000, the tender invitation must be cancelled.
- (b) If one or more of the acceptable tenders received are within the prescribed threshold of R1 000 000, all tenders received must be evaluated on the 80/20 preference point system.
- (2) (a) In the event that, in the application of the 90/10 preference point system as stipulated in the tender documents, all tenders received are equal to, or below R1 000 000, the tender must be cancelled.
- (b) If one or more of the acceptable tenders received are above the prescribed threshold of R1 000 000, all tenders received must be evaluated on the 90/10 preference point system.
- (3) In the event that the Swartland Municipality has cancelled a tender invitation as contemplated in sub-paragraph (1)(a) and 2(a), tenders must be re-invited and the tender documents must stipulate the correct preference point system to be applied.
- (4) The Swartland Municipality may, prior to the award of a tender, cancel a tender if:
- (a) due to changed circumstances, there is no longer a need for the services, works or goods requested, or
- (b) funds are no longer available to cover the total envisaged expenditure; or
- (c) no acceptable tenders are received.
- (5) The decision to cancel a tender in terms of sub-paragraph (4) must be published in the media in which the original tender invitation was advertised.

PART THREE

LOCAL PRODUCTION AND CONTENT, B-BBEE STATUS LEVEL CERTIFICATES, CONDITIONS, DECLARATIONS, REMEDIES AND TAX CLEARANCE

9. Local Production and Content

The Swartland Municipality must, in the case of designated sectors, where in the award of tenders local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

Every tender issued in terms of Paragraph 9 must be measurable and audited.

9.1 INVITATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT

9.1.1 Designated Sectors

9.1.1(a) Bids in respect of services, works or goods that have been designated for local production and content, must contain a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered.

9.1.1(b) The municipality must stipulate in bid invitations that the exchange rate to be used for the calculation of local content (local content and local production are used interchangeably) must be the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

9.1.1(c) Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x must be used to calculate local content. The following formula to calculate local content must be disclosed in the bid documentation:

The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left\{ \frac{x}{y} \right\} \times 100$$

Where

x = imported content

y = bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

9.1.1(d) For the purpose of paragraphs 9.1.1(a), 9.1.1(b) and 9.1.1(c) above, the MBD 6.2 (Declaration Certificate for Local Content) must form part of the bid documentation.

9.1.1(e) The Declaration Certificate for Local Content (MBD 6.2) must be completed and duly signed. The municipality is required to verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of this Certificate.

9.1.1(f) The Minister of Finance has approved the issuance of directives together with the Municipal Bidding Documents (MBD 6.2) "Declaration Certificate for Local Production and Content for Designated Sectors" for the following sectors that have been designated:

- Textile, clothing, leather and footwear;
- Buses (bus body);
- Steel power pylons;
- Canned / processed vegetables;
- Rail rolling stock;
- Set top boxes;
- Furniture; and
- Electrical and telecom cable products.

9.1.2 Non-Designated Sectors

9.1.2(a) Where there is no designated sector, the municipality may decide to include a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the dti.

9.1.2(b) The municipality must stipulate in bid invitations that the exchange rate to be used for the calculation of local content must be the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the date of closure of the bid.

9.1.2(c) Only the South African Bureau of Standards approved technical specification number SATS 1286:201x as indicated in paragraph 9.1.3 above must be used to calculate local content.

9.1.2(d) For the purpose of paragraphs 9.1.2(a), 9.1.2(b) and 9.1.2(c) above, the MBD 6.2 (Declaration Certificate for Local Content) must form part of the bid documentation.

9.1.2(e) The Declaration Certificate for Local Content (MBD 6.2) must be completed and duly signed. The municipality is required to verify the accuracy of the rate(s) of exchange quoted by the bidder in paragraph 4.1 of this Certificate.

9.2 EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT

Bids that were invited on the basis of local production and content should be evaluated by following a two-stage bidding process:

9.2.1 First stage – Evaluation in terms of the stipulated minimum threshold for local production and content

9.2.1(a) Bids must be evaluated in terms of the evaluation criteria stipulated in the bid documents. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardise the fairness of the process.

9.2.1(b) A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content; and
- the Declaration Certificate for Local Content (MBD 6.2) referred to in paragraphs 9.1.1(d) and 9.1.2(d) is not submitted as part of the bid documentation.

9.2.1(c) Calculation of Local Content

9.2.1(d) The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286:201x as indicated in paragraph 9.1.1(c) above.

9.2.1(e) The municipality must verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (MBD 6.2)

9.2.2 Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems

9.2.2(a) Only bids that achieve the minimum stipulated threshold for local production and content must be evaluated further in accordance with the 80/20 or 90/10 preference point systems prescribed in Paragraph 5 and 6.

9.2.2(b) Where appropriate, prices may be negotiated only with short listed or preferred bidders. Such negotiations must not prejudice any other bidders.

10. Broad –Based Black Economic Empowerment Status Level Certificates

10.1 Codes of Good Practice ~~–9 February 2007~~

~~10.1.1 Tenders with annual total revenue of R5 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the Broad-Based Black Economic Empowerment Act, and must submit a certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act No.69 of 1984) or an accredited verification agency.~~

~~10.1.2 Tenders other than exempted Micro Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating.~~

~~10.1.3 The Submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.~~

~~10.1.4 The B-BBEE status level attained by the tenderer must be used to determine the number of points contemplated in regulations 5(2) and 6(2).~~

10.2 ~~Codes of Good Practice –11 October 2013~~

10.2.1.1 Eligibility as an Exempted Micro Enterprise (EME)

10.2.1.1(a) Any enterprise with an annual Total Revenue of R10 Million or less qualifies as an Exempted Micro-Enterprise.

10.2.1.1(b) An Exempted Micro-Enterprise is deemed to have a B-BBEE Status of "Level Four Contributor" having a B-BBEE recognition level of 100%.

10.2.1.1(c) Enhanced B-BBEE recognition level for an Exempted Micro-Enterprise:

10.2.1.1(c)(i) Despite paragraphs 10.2.1.1(b) an EME which is 100% Black owned qualifies for elevation to "Level One Contributor" having a B-BBEE recognition level of 135%.

10.2.1.1(c)(ii) Despite paragraph 10.2.1.1(b) and 10.2.1.1(c)(i), an EME which is at least 51% Black owned qualifies for elevation to "Level Two Contributor" having a B-BBEE recognition level of 125%.

10.2.1.1(d) Despite paragraphs 10.2.1.1(b) and 10.2.1.1(c), an EME is allowed to be measured in terms of the QSE scorecard should they wish to maximise their points and move to a higher B-BBEE recognition level.

10.2.1.1(e) An EME is only required to obtain an sworn affidavit on an annual basis, confirming the following:

10.2.1.1(e)(i) Annual Total Revenue of R10 million or less; and

10.2.1.1(e)(ii) Level of Black ownership.

10.2.1.1(f) Any misrepresentation in terms of Para 10.2.1.1(e) above constitutes a criminal offence as set out in the B-BBEE Act as amended.

10.2.1.2 Eligibility as a Qualifying Small Enterprises (QSE)

10.2.1.2(a) A Measured Entity with an annual Total Revenue of between R10 million and R50 million qualifies as a Qualifying Small Enterprise.

10.2.1.2(b) A QSE must comply with all of the elements of B-BBEE for the purposes of measurement.

10.2.1.2(c) Enhanced B-BBEE recognition level for QSE:

10.2.1.2(c)(i) A Qualifying Small Enterprise which is 100% Black owned qualifies for a Level One B-BBEE recognition.

10.2.1.2(c)(ii) A QSE which is at least 51% Black owned qualifies for Level Two B-BBEE recognition level.

10.2.1.2(c)(iii) A QSE is only required to obtain an sworn affidavit on an annual basis, confirming the following:

10.2.1.2(c)(iii)(i) Annual Total Revenue of R50 million or less; and

10.2.1.2(c)(iii)(ii) Level of Black ownership.

10.2.1.2(d) Any misrepresentation in terms of Para 10.2.1.2(c) above constitutes a criminal offence as set out in the B-BBEE Act as amended.

10.2.1.3 Start-Up Enterprises

10.2.1.3(a) Start-up Enterprise must be measured as an Exempted Micro-Enterprise under this statement for the first year following their formation or incorporation. This provision applies regardless of the expected total revenue of the Start-up Enterprise.

10.2.1.3(b) Start-up Enterprise is deemed to have the qualifying B-BBEE Status in accordance with the principles of paragraph 10.2.1.1 of this policy.

10.2.1.3(c) In order to qualify as a Start-up Enterprise, the enterprise must provide an independent confirmation of its status in accordance with paragraph 10.2.1.1(e).

10.2.1.3(d) Despite paragraph 10.2.1.3(a) and 10.2.1.3(b), a Start-up Enterprise must submit a QSE scorecard when tendering for any contract, or seeking any other economic activity covered by Section 10 of the Broad-Based Black Economic Empowerment Act 53 of 2003, with a value higher than R10 million but less than R50 million. For contracts of R50 million or more they should submit the Generic scorecard. The preparation of such scorecards must use annualised data.

10.3 Transitional Period

~~The newly amended B-BBEE Codes of Good Practice are applicable as from the date of Gazette No. 36928, B-BBEE Codes of Good Practice, which is 11 October 2013. The 2007 B-BBEE Codes of Good Practice are still applicable until the end of the Transitional Period at the end of April 2015. The amended Codes provides entities with an option of electing to use either the 2007 Codes which are still applicable until October 2014, or the amended Codes of 2013.~~

~~According to the 2007 Codes, new entities and entities with a turnover that are below R 5 million per annum are exempted from complying with BEE, and are given an automatic status of Level 4. A letter from their Accountant or Auditor is sufficient to prove BEE compliance.~~

~~The 2013 amended Codes of Good Practice make a provision for only a sworn affidavit on an annual basis as sufficient for entities with an annual turnover of R 10 million and below to prove B-BBEE compliance.~~

11. Conditions

- (1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
- (2) The Swartland Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- (3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- (4) Points scored must be rounded off to the nearest 2 decimals places.
- (5) (a) In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for B-BBEE.
(b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for B-BBEE, the successful tender must be the one scoring the highest score for functionality.
(c) Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots.
- (6) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- (7) A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate tender.

- (8) A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capability and ability to execute the sub-contact.
- (9) A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- (10) A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- (11) When the Swartland Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- (12) Tertiary institutions referred to in sub-paragraph (11) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good practice.
- (13) (a) Should the Swartland Municipality require a service that can be provided by one or more tertiary institutions or public sector, the appointment of a contractor must be done by means of a tendering process;

(b) Public entities will be required to submit their B-BBEE status in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.

12. Declarations

- (1) A tender must, in the manner stipulated in the document, declare that-
 - (a) the information provided is true and correct;
 - (b) the signatory to the tender document is duly authorised; and
 - (c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Swartland Municipality.

13. Remedies

(1) The Swartland Municipality must, upon detecting that-

- (a) The B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis; or
- (b) any of the conditions of the contract have not been fulfilled,

act against the tenderer or person awarded the contract.

(2) The Swartland Municipality may, in addition to any other remedy it may have against the person contemplated in sub-paragraph (1)-

- (a) Disqualify the person from the tendering process;
- (b) Recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) Cancel the contract and claim any damages it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) Restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) Forward the matter for criminal prosecution.

14. Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

15. SHORT TITLE

This policy is called the Preferential Procurement Policy of the Swartland Municipality.

SWARTLAND MUNICIPALITY

POLICY WITH REGARDS TO THE PAYMENT OF TRAVEL- AND ACCOMMODATION- AND SUBSISTENCE COSTS

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SCHEDULE A

1. **Payment of accommodation- and subsistence costs**

- 1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for less than 24 hours of his/her usual abode or work place.
- 1.2 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent for more than 24 hours of his/her usual abode or work place.

2. **Payment of travel expenses**

- 2.1 For the execution of official obligations within the area of jurisdiction of the municipality.
- 2.2 For the execution of official obligations outside the area of jurisdiction of the municipality.

~~SCHEDULE B~~

~~**Application form:** Authorization for the execution of official obligations. Pre-approval of Traveling and Subsistence~~

~~SCHEDULE C~~

~~**Claim form:** Travel and accommodation and subsistence costs.~~

SWARTLAND MUNICIPALITY

POLICY WITH RESPECT TO PAYMENT OF TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS

1. **DEFINITIONS**

In this policy document, unless the context otherwise indicates -

“accommodation” means overnight accommodation including or excluding breakfast;

“bargaining council” means the Western Cape division of the South African Local Government Bargaining Council;

“fringe benefit vehicle scheme” means a scheme in terms of which a travel allowance is included in the remuneration package for the applicable position, as resolved by the council of the municipality from time to time, and in respect of which a monthly travel allowance is paid;

“essential users scheme” means a scheme, as negotiated in the bargaining council, in terms of which specified personnel, in accordance with the criteria laid down by the bargaining council and adopted by the municipal council, use their own vehicles for official business;

“subsidised vehicle” means a vehicle used by an officer or councilor of the municipality for official business and which, in the case of officials, was acquired in pursuance of a fringe benefit vehicle scheme or an essential users scheme and, in the case of a councilor, his/her own vehicle used for official business for which a travel allowance is paid;

“chief financial officer” means an official who has been appointed as such by the accounting officer in accordance with section 80(2)(a) of the Municipal Financial Management Act, 2003 (Act 56 of 2003);

“municipality” means the Swartland Municipality;

“private vehicle” means a vehicle which is not a subsidized vehicle and is registered in the name of an official or councilor, which is used by such official or councilor for official business;

“councilor's own vehicle” means a vehicle used by ~~the~~ a councilor for official business, which is his/her property, in respect of which a fixed travel allowance, as determined by the municipal council from time to time, is paid to the said councilor and which allowance is subject to the conditions as determined by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998);

“accounting officer” means the Municipal Manager of the municipality;

“subsistence” means meals and incidental costs as contemplated in paragraph 1.2 of Schedule A excluding accommodation.

“Mfma” means Local Government: Municipal Finance Management Act No 56, 2003

“Application form” means an electronic form on the collaborator system that must be completed with estimated costs before traveling overnight

“Claim form” means the electronic form on the collaborator system where a person claims their actual traveling expenses

2. APPLICATION OF POLICY

This policy applies to councilors as well as officials of the municipality and also incorporates provisions pertaining to reimbursement of persons invited by the municipality for job interviews.

This policy is not applicable to official obligations to be carried out beyond the borders of the Republic of South Africa.

In such cases permission must be obtained from the executive mayor for the relevant trip and reimbursement for the travel, accommodation and subsistence costs will be determined by the executive mayor in consultation with the accounting officer, on a case by case basis, as and when necessary, provided that in such cases travel, accommodation and subsistence costs will only be paid if provision has been made in the current budget for such expenditure.

~~Should~~ When the executive mayor have to carry out official obligations outside the Republic of South Africa the travel, accommodation and subsistence costs for such visits must be approved in advance by the full council of the municipality.

3. PURPOSE OF THE POLICY

From time to time it is necessary for officers and councilors of the municipality to perform official duties within as well as outside the area of jurisdiction of the municipality and of necessity travel, accommodation and subsistence costs in respect of these officials has to be incurred.

The purpose of this document is therefore to document a policy clarifying in which instances and to what extent, travel, accommodation and subsistence costs may be incurred and expenditure so incurred by an official or councilor will be reimbursed to him or her.

4. AUTHORIZATION FOR PAYMENT OF TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS

4.1 Where travel, accommodation and subsistence costs has to be incurred in respect to the carrying out of an official obligation by an official or a councilor (for example representation of the municipality at a conference, workshop, meeting, seminar or any other official obligation) the related travel, accommodation and subsistence costs will only be paid –

- if the discharge of such official obligation has been authorized in advance as set out in paragraphs 4.2 to 4.4, and
- an application form ~~as per Schedule B~~ is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division on the understanding that the completion of the application form and authorization thereof must occur prior to person's traveling and will ~~only~~ be mandatory in the following instance -
 - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which either travel, ~~or~~ accommodation (only applicable if the distance to travel exceeds 150km one way from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, ~~or both~~, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
 - an claim form is duly completed and authorized by the signature of executive mayor, or the accounting officer, or the head of the department, or the head of the division and will only be mandatory in the following instances -
 - in all cases where an official obligation must be undertaken outside the area of jurisdiction of the municipality and in respect of which either travel or accommodation (only applicable if the distance to travel exceeds 150km one way from the municipal office or when there is an evening function or when the municipality don't incur any cost concerning accommodation) and subsistence costs, or both, as contemplated in paragraphs 1 and 2.2 of Schedule A, must be paid;
 - in those instances where an official obligation must be carried out within the area of jurisdiction of the municipality in respect of which travel costs as contemplated in paragraph 1 and 2.1 of Schedule A must be paid.
- the provisions set out in this policy are duly met.

4.2 Authorization for the carrying out of an official obligation involving payment of accommodation, subsistence and/or travel costs as contemplated in paragraph 4.1 may only be granted by -

- the executive mayor to councilors and the municipal manager
- the municipal manager to the various heads of department and executive mayor; and
- the heads of department or division to officials in their respective departments.

provided that -

- there is adequate provision in the budget for the commitment of such expenditure and the budget for the respective votes has not been exhausted or will not be exceeded;
- the authorization granted is in compliance with the provisions of this policy document; and
- ~~the executive mayor municipal manager shall be entitled to authorize official obligations which he/she must fulfill himself/herself and in respect of which travel and/or accommodation and/or subsistence costs are payable, provided that he/she before his/her departure, informs the Municipal Manager and the Speaker of the Council of his/her intended absence.~~

4.3 When authorization is given in terms of paragraph 4.2, the executive mayor, accounting officer, head of department or head of division, as the case may be, must expressly states on the application form (Schedule B) whether that he/she authorizes any of the following in respect of the relevant official duty -

- air travel;
- garaging for a private or subsidized vehicle at the airport;
- hire of a vehicle for travel from the airport of destination to lodging, or from lodging to place where the official duty has to be fulfilled; or
- use of a private or subsidized vehicle.

Where the expenditure is not duly authorized by the executive mayor, accounting officer, head of department or head of division, no such expense may be reimbursed to an official or councilor who incurred the expenditure.

4.4 When the executive mayor, accounting officer, head of department or head of division is in terms of the provisions of paragraph 4.3 considering whether air transport or a private or subsidized vehicle should be used in those instances where more than one official and/or councilor has to attend the same official occasion, the executive mayor, accounting officer, head of department or head of division must take into account that it could be more economical to authorize the use of a private or subsidized vehicle rather

than air transport, as such a vehicle will provide transport for one or more passengers. The most economical means of transport ~~does not necessarily~~ have to be approved ~~but with~~ all relevant factors and in the best interests of the municipality, ~~should be~~ taken in account when considering the use of air transport or not.

4.5 When an official obligation is authorized in accordance with the above mentioned provisions, the ~~original~~ completed ~~and duly certified~~ application and/or claim forms (Schedule B) should be ~~sent~~ submitted to the relevant official in the offices of the director of finances.

~~A copy of the form must be handed to the applicant to enable him to submit his claim in terms of paragraph 7.1 hereof.~~

5. PAYMENT OF ACCOMMODATION AND SUBSISTENCE COSTS

5.1 Where authorization in accordance with the provisions of paragraph 4 hereof is given, accommodation and subsistence costs will be paid in terms of and in accordance with the conditions and limitations as set out in paragraph 1 of Schedule ~~B~~ A.

5.2 Where an official or councilor spends one or more nights away from home on official business, the said official or councilor may stay in a hotel, motel, guest house, bed and breakfast establishment or hire a chalet or similar self catering accommodation for this purpose. If an official stays with a family member or friend no accommodation expenses will be paid. Subsistence expenses will, however be paid in accordance with the provisions of this policy.

5.3 As a general rule councilors and officials must make every effort to secure accommodation as close to the place of the official duty as possible.

5.4 ~~The chief financial officer shall in each individual case be entitled to direct that accommodation costs must be paid by the municipality directly to the lodging establishment concerned in which case no payment in respect of such accommodation expenditure or portion thereof shall be payable to the official or councilor concerned.~~ Air travel, Accommodation cost and Vehicle hiring are payable through Supply Chain Management and Expenditure processes. Deviations will be handled in accordance with the Supply Chain Management Policy. Travel Agencies may only make booking arrangements on behalf of the municipality that is in line with Circular No 82 of the MFMA.

5.5 In the event of meals being part of the accommodation package of the hotel, quest house or bed and breakfast establishment or where meals or snacks during any official obligation which is attended by an official or councilor, are being provided by the host or a sponsor free of charge, or is included as a portion of the total financial package of, for example, a conference, seminar, workshop, etc, the cost of meals as contemplated in paragraph 1.2 of Schedule A shall not be payable and may to be claimed by an official or councilor.

6. PAYMENT OF TRAVEL COSTS

6.1 Where authorization in terms of the provisions of paragraph 4 is issued, travel costs shall be paid in accordance with and subject to the terms of paragraph 2 of Schedule A.

6.2 As a rule, air travel subject to the terms of paragraph 4.4, will be authorized in all instances where the official business is within a reasonable distance of an airport. The executive mayor, accounting officer, head of department or head of division responsible in terms of this policy for authorization of air travel, shall have discretion, on a case by case basis, in determining "a reasonable distance".

6.3 Payment of expenses with regard to air travel will be restricted to economy class with the carrier quoting the most economical fare on each occasion in order that the official or councillor leaves his/her workplace or home at the latest possible time in order to reach the place of the official business on time, and which will enable him or her to return to his/her home or place of work at the earliest opportunity after completion of the official business.

The effect of the above stipulation shall be that the ~~chief financial officer~~ supply chain management division, for purposes hereof, may accept a less favorable quote from ~~a carrier~~ if the time of departure or arrival of the carrier whose quotation is the most favorable, departs to such an extent from the above-mentioned provisions that it will cause excessive inconvenience for the official or councillor.

6.4 Payment for garaging of a vehicle at an airport will only be made if it has been authorized in terms of the provisions of paragraph 4.3.

6.5 The hiring of a vehicle shall be restricted to ~~class A or~~ class B category vehicles or below unless it proves more cost effective to hire an upgraded group (i.e. the upgraded group if offered free or at a lower charge) ~~more expensive vehicle (i.e. if the number of officials and/or councillors involved warrants a more appropriate vehicle).~~

Thus the expenditure of an official or councillor will only be paid ~~reimbursed~~ provided that it is authorized in accordance with the provisions of paragraph 4.3.

The hiring of a vehicle may only be authorized if alternate transport is not available, too expensive or not practical.

When a motor vehicle is hired, insurance cover must be taken out through the company renting out the vehicle.

6.6 Claims for reimbursement of travel costs must be based on the shortest route from the normal working place or the home of the official or councillor to the place of the official obligation.

6.7 In the case of air travel the cost of air tickets will be paid directly to the travel agent used by the municipality, unless an arrangement has been made in accordance with the provisions of paragraph 8.

6.8 Where one or more persons are transported -

~~• in a private vehicle to carry out official business within the area of jurisdiction of the municipality, or~~

• in a private or subsidized vehicle to carry out official business within or outside the area of jurisdiction of the municipality,

an additional 20 cents per kilometer will be paid to the owner of the relevant vehicle for every additional person up to 3 additional persons traveling in the same vehicle.

7. REIMBURSEMENT OF EXPENSES INCURRED BY AN OFFICIAL OR COUNCILLOR

7.1 On completion of an approved official obligation the travel, accommodation and subsistence costs incurred by the official or councillor, and which was authorized in advance, must be claimed by the incumbent on the prescribed claim form ~~as per Schedule C~~, together with ~~a copy of~~ the authorization referred to in paragraph 4.5 and ~~handed submitted~~ to the designated official in the office of the financial director.

Expenditure thus incurred, in compliance with this policy, will be reimbursed to the said official. ~~minus any payments made in advance to such an official or councillor.~~

~~7.2 On application the chief financial officer shall have the right to make a payment in advance in respect of travel, accommodation and subsistence costs to an official or councillor before his/her departure on official business.~~

~~Application for such a payment in advance must be made, where possible, at least 3 days prior to departure.~~

~~Such a prepaid amount shall be calculated by the chief financial officer by making a conservative estimate of the expected travel, accommodation and subsistence costs to be incurred by the official or councillor.~~

~~In the event of expenditure being less than the amount paid in advance to the official or councillor the excess shall be paid back to the municipality within 5 days of his/her return.~~

8. USE OF OWN OR PRIVATE TRANSPORT INSTEAD OF AUTHORISED AIR TRANSPORT

Where air transport has been authorized and an official or councillor so elects, he shall be allowed to use his/her own vehicle, however travel, accommodation and subsistence costs will be reimbursed on the basis of an economy class air ticket,

based on a 7 day advance booking, plus accommodation and subsistence costs calculated in accordance with the timeframe applicable to air travel.

9. AIR TRAVEL AND ACCOMMODATION RESERVATIONS

Air travel and/or accommodation reservations must be made by the designated officials of the Municipality and in this regard the provisions of the council's supply chain management policy should be strictly adhered to.

10. TRAVEL, ACCOMMODATION AND SUBSISTENCE COSTS PAYABLE TO PERSONS INVITED FOR JOB INTERVIEWS

10.1 Where persons are invited by the municipality for job interviews, they will -

- not be reimbursed for accommodation or living expenses; and
- be reimbursed for travel expenses calculated at R0,50 per kilometer x 2, for the distance traveled to the interview. If the accounting officer authorizes air travel for such a person he/she may claim the expense in respect of an air ticket, plus R0.50 per kilometer from his/her home to the nearest airport. In this respect the stipulations of paragraph 6.3 shall apply.

10.2 The accounting officer will make the necessary accommodation arrangements for account of the municipality if, in his opinion, it is considered necessary or reasonable that a person who has been invited for a job interview, must stay overnight.

10.3. Payment of claims for travel and/or an air ticket shall be made -

- to candidates whose application was unsuccessful, as soon as possible after a decision in this regard has been made;
- to the successful candidate, within 5 working days after he/she has notified the municipality in writing of his/her acceptance of appointment.

SCHEDULE A

1. PAYMENT OF ACCOMMODATION AND SUBSISTENCE [PAR 5 OF POLICY]

1.1 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent from his/her usual abode or working place for less than 24 hours –

- (1) When not staying overnight – the actual cost of meals up to a maximum amount of R90,00 for breakfast, R120,00 for lunch and R150,00 for dinner per person per occasion, on condition that the actual cost thus claimed, must be verified with specified invoices (only payable for the execution of duties outside the area of jurisdiction of the Municipality). A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu; and

- (2) When staying overnight, the actual cost of accommodation, which may include meals (except where meals are supplied by the host), subject to the allocation made in terms of Council's Procurement Policy and the rates table as set in Circular No 82 of the MFMA, in conjunction with the directorate of the division concerned.

1.2 Accommodation- and subsistence costs payable when an official or council member is actual and necessarily absent from his/her usual abode or working place for more than 24 hours (only payable when official obligations has to be fulfilled outside the area of jurisdiction of the municipality) –

- (1) Accommodation (this means overnight lodging where meals may be included or excluded) - the actual cost of accommodation subject to the allocation made in terms of Council's Procurement Policy and the rates table as set in Circular No 82 of the MFMA, in conjunction with the directorate of the division concerned, provided that the actual cost thus claimed, will only be paid if it can be verified with specified invoices from the service provider.
- (2) Subsistence (this means only meals and casual expenses, accommodation excluded) – the actual cost of meals is subject to the maximum amounts as set out hereafter, on condition that verifying, specified invoices from the service provider must be submitted before any claims will be paid out. Meals as specified below must ordinarily be taken as near as possible to normal meal hours, subject to approval by the relevant directorate. A 10% table fee/administrative levy, calculated on the total account, may be added to the account, should the menu not indicate that such a fee is already included in the prices quoted on the menu –
 - breakfast – to a maximum of R90,00 – when breakfast is excluded from the accommodation tariff;
 - lunch – to a maximum of R120,00;
 - dinner – to a maximum of R150,00.

In addition to before mentioned costs of meals an official or council member will also be entitled to an allowance to cover casual expenses. The amount of the allowance will be determine by the Receiver of Revenue from time to time and is applicable for each completed period of 24 hours of absence or for each following period of less than 24 hours¹. No verification for casual expenses needs to be submitted. [For the purposes hereof, casual expenses are expenditures with regards to tips, refreshments and private phone calls].

- (3) Where a seminar or congress is held in a specific hotel/centre, etc. and accommodation at such hotel/centre forms an integrated part of the monetary package payable, the Procurement Policy shall not be applicable. Where the organizers of such congress, seminar, etc. offers various hotel or guest house options, the Procurement Unit shall endeavor to procure the cheapest hotel/guest house situated nearest to the centre where the conference, seminar, training, etc.

will be taking place, provided that the facility shall not be worse than a 3 or 4 star grading, whichever is the cheapest. Selection of accommodation shall, however, always take place in conjunction with the directorate of the delegating division.

2. PAYMENT OF TRAVEL EXPENSES [PAR. 6 OF POLICY]

2.1 For the execution of official obligations within the area of jurisdiction of the municipality –

2.1.1 Officials:

(1) Use of private vehicle –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department van Transport for fixed and running costs.

(2) Use of vehicle acquired in accordance to the essential user scheme –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining Council for fixed and running costs.

(3) Use of vehicle acquired in accordance to the benefit vehicle scheme –

by officials for use outside the area of jurisdiction of the former municipality in whose service they were until 5 December 2000, but within the area of jurisdiction of Swartland Municipality, a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the AA tables for running costs, excluding those bearing a position with regards to whom on the date of commencement of this policy, by way of agreement, another tariff applies and whereby such an arrangement is regarded as an arrangement personal to the bearer of the position.

(4) Processing of late claims –

Claim forms received late (After traveling, the 10th of the following month) for authorization will be processed at the lowest month's tariff from traveling date till processing date according to the vehicle's engine capacity.

2.1.2 Council Members:

(1) Use of own vehicle –

no remuneration payable save for the fixed allowance as from time to time determined by the council of the municipality in accordance with the conditions determined from time to time by the Minister of Provincial and Local Government in terms of the Remuneration of Public Office Bearers Act, 1998 (Act no. 20 of 1998).

2.2 For the execution of official obligations outside the area of jurisdiction of the municipality –

2.2.1 Officials

(1) Use of private vehicle –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Department of Transport for fixed and running costs.

(2) Use of vehicle acquired in accordance to the essential user scheme –

a tariff per km according to the engine capacity of the norm vehicle, as determined from time to time by the Bargaining council for running costs.

(3) Use of vehicle acquired in accordance to the benefit vehicle scheme –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the AA tables for running costs.

2.2.2 Council Members:

For the use of the member's own vehicle –

a tariff per km according to the engine capacity of the concerned vehicle, as determined from time to time by the Department of Transport for fixed and running costs.

2.2.3 In addition to the travel expenses as indicated in 2.1 en 2.2 the following expenses incurred by an official or council member will be reimbursed to him/her, on the condition that verification is submitted, whether a private vehicle or a authorized vehicle is used –

- rent of a car garage at the place of accommodation (only when staying overnight);
- parking costs;
- tollage; and
- stabling of vehicles at airport (only if authorized in advance).

2.2.4 Officials and council members (authorized air transport)

Where air transport is authorized for the execution of official obligations outside the area of jurisdiction of the municipality by an official or council member, transport expenses and additional costs is paid as follows –

(1) Where an official or council member uses his/her private or authorized vehicle to travel to and from the Cape Town International Airport –

- km covered between the normal working place or concerned official/member's abode and the airport x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2; and
- km covered between the airport and the normal working place or the concerned official or member's abode x 2 at the relevant tariff as indicated in paragraphs 2.2.1 or 2.2.2.

[where stabling of such a vehicle on the airport is authorized beforehand, the distance as indicated above is not multiplied and such a member or official or council member will only be reimbursed for to and from the airport once and where an official vehicle is used to transport an official or council member between the municipal offices and the airport, no travel expenses are payable];

- (2) the stabling costs of a vehicle if it is authorized beforehand;
- (3) the cost of an economic class return ticket with consideration of the stipulations of paragraph 6.3 of the policy document;
- (4) taxi fees, bus fees and/or public transport costs and/or rent of a vehicle (if the rent of a vehicle is authorized beforehand) for traveling between the airport to the final destination and the place of accommodation and place where official obligations are executed;
- (5) parking costs when a rented vehicle is used; and
- (6) tollage

on the condition that the costs mentioned in (2), (4), (5) and (6) above, will only be paid on the submission of verification thereof.

SCHEDULE B

SWARTLAND MUNICIPALITY

APPLICATION FORM: AUTHORISING OF EXECUTION OF OFFICIAL OBLIGATIONS

I ~~..... (name of official/council member) hereby request approval for the execution of the official obligations as set out hereafter, and that travel- and accommodation- and subsistence expenses necessarily to be incurred by me, are paid to me in accordance with the municipality's travel- and accommodation- and subsistence expenses policy.~~

~~.....~~
~~(explain nature of official obligation)~~

PLACE: ~~.....~~
~~(Indicate city/town or venue where official obligation must be executed)~~

DATE (S) OF OFFICIAL OBLIGATION: ~~.....~~

DEPARTURE DATE: ~~.....~~

EXPECTED DATE AND TIME OF RETURN: ~~.....~~

~~See herewith attached documentation in connection with the official obligation.~~
~~(where possible, a copy of the invitation or any document of verification must be attached)~~

~~..... Date:~~
~~Signature of Applicant~~

OFFICE USE

~~1. The travel- and accommodation- and subsistence expenses with regards to this application, must be debited against vote no~~

~~I certify that funds in the current budget are provided for such expenses and that there are sufficient funds available on the concerned position.~~

~~.....~~
~~Position of responsible official~~ ~~Signature of responsible official~~

~~.....~~
~~Date:~~

~~2. Herewith this application is authorised and in accordance with the provisions of paragraph 4.3 of the travel- and accommodation- and subsistence policy, I authorise the following:~~

- ~~• air transport~~
- ~~• stabling of vehicle at airport~~
- ~~• rent of a vehicle~~
- ~~• use of a private vehicle~~
- ~~• use of a authorised vehicle~~

~~[cross out the items that do not apply and initial next to each crossed out item]~~

~~.....~~
~~Executive Mayor~~ ~~Date approved~~
~~Municipal Manager~~
~~Head of department~~
~~[cross out the items that do not apply — see par 4.2 of policy.]~~

SWARTLAND MUNICIPALITY **SCHEDULE C**
CLAIM FORM: TRAVEL AND ACCOMMODATION AND SUBSISTENCE EXPENSES

1. NAME: POSITION:

2. NATURE OF OFFICIAL
OBLIGATION

3. DATE OF DEPARTURE TIME.....
RETURN DATE TIME.....

4. ACCOMMODATION AND SUBSISTENCE EXPENSES:

4.1 FOR ABSENCE LESS THAN 24 HOURS – WITHIN/OUTSIDE THE AREA OF JURISDICTION OF THE MUNICIPALITY

(1) When not staying overnight – actual costs of meals limited to breakfast R90,00, lunch R120,00 and dinner R150,00 per person, verified with specified invoices (only payable for execution of duties outside the area of jurisdiction of the Municipality) R.....

(2) when staying overnight – actual cost of accommodation, which may include meals (except where the host supplied meals), subject to the allocation made in terms of Council's Procurement Policy in conjunction with the directorate of the division concerned, provided that the actual costs thus claimed shall only be paid if verified by specified invoices obtained from the service provider. R.....

4.2 FOR ABSENCE OF MORE THAN 24 HOURS – OUTSIDE THE AREA OF JURISDICTION OF THE MUNICIPALITY

(1) Accommodation

Actual cost of accommodation (i.e. overnight accommodation that may include or exclude meals), subject to the allocation made in terms of Council's Procurement Policy in conjunction with the directorate of the division concerned, provided that the actual costs thus claimed shall only be paid if verified by specified invoices obtained from the service provider. R.....

(2) Subsistence

Actual cost of meals limited to breakfast R90,00, lunch R120,00 and dinner R150,00, verified with specified invoices. R.....

(3) Casual expenses (Tips, refreshments and private phone calls)

An allowance determine by the Receiver of Revenue from time to time for each completed period of 24 hours or part thereof when staying overnight (R80,00 effective from 01/03/2009) R.....

5. TRAVEL EXPENSE

5.1 MOTOR VEHICLE:

Officials: (1) Use of private vehicle inside as well as outside municipal area of jurisdiction
Engine cap Tariff..... Number of km R.....
(2) Use of vehicle acquired in accordance to essential user scheme
Engine cap Tariff..... Number of km R.....
(3) Use of vehicle acquired in accordance to benefit vehicle scheme
Engine cap Tariff..... Number of km R.....

Councillors: (1) Use of councillor's own vehicle outside municipal area of jurisdiction
Engine cap Tariff..... Number of km R.....

Passengers: (1) Persons transported by official/councillor
Number Tariff..... Number of km R.....

Interviews: (1) Use of vehicle by candidate to attend interview
Tariff **R0,50** Number of km R.....

5.2 AIR TRANSPORT

Officials and Council members: Cost of single/return ticket R.....

6. MISCELLANEOUS:

..... R.....
(specify – e.g. stabling expense, taxi fees, parking fees, tollage, rent of vehicle etc.)

TOTAL R.....

Minus prepaid amount R.....

NETT TOTAL R.....

A. I, the signatory, certify that the expenses as indicated above was necessarily and actually incurred by me and was incurred in the executing of official obligations; that it is in accordance with the policy of the municipality with regards to the payment of travel and subsistence expenses and that I have not claimed it before.

Date: Signature of Claimant:

B. By means of the authority given to me in terms of paragraph 4 of the municipality's policy concerning travel and subsistence expenses, I authorise herewith the payment of the expenses as set out herein.

Signature: Position: Date: